

The NATIONAL UNDERWRITER



At this time of year agents and companies alike should gain great satisfaction from the fact that they have served their policyholders well.

The exacting requirements of 1941 will be met by their continued desire and ability to serve the insurance needs of the nation.

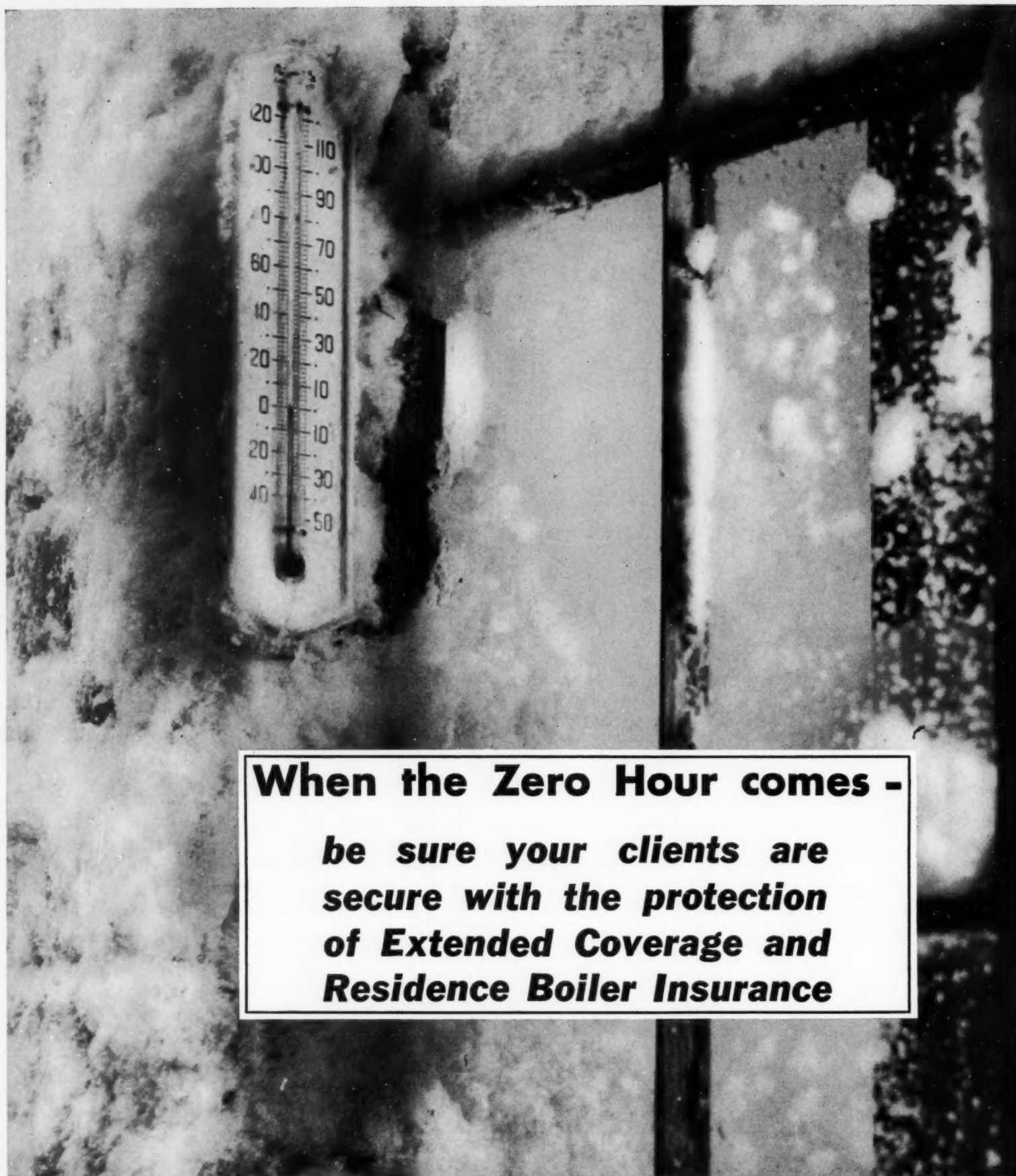
CENTRAL SURETY AND INSURANCE CORPORATION

CENTRAL SURETY FIRE CORPORATION

Home Office
Kansas City, Missouri

R. E. McGinnis
President

THURSDAY, JANUARY 16, 1941



**When the Zero Hour comes -
be sure your clients are
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of Extended Coverage and
Residence Boiler Insurance**

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THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
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ATLANTA

MONTREAL

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Insurers Are Becoming Skittish on U. & O. Line

Defense Situation Causes Companies to Adopt New Underwriting Rules

In view of the current interest in U. & O. insurance in relation to concerns that have defense orders, the following letter from a prominent underwriter in response to an inquiry from a field man on the company's current attitude brings out valuable points:

"You are eminently correct in being somewhat concerned as regards U. & O. insurance and the broad form malicious damage and vandalism clause," he writes. "First, I shall endeavor to give you my thoughts concerning U. & O. insurance. In the past, with a firm owning or occupying a single building, everyone thought that U. & O. insurance was preferable to the property damage insurance. I believe the experience down through the years proved this theory to be correct. However, we are now confronted with the fact that in the event of loss or damage to machines and materials, a concern would encounter considerable difficulty in making replacements. Therefore, where in the past a property damage loss of 100 percent often resulted in a U. & O. loss of only 50 percent, now, however, a property damage loss of only 5 or 10 percent to a vital piece of machinery might result in a U. & O. loss of anywhere from 50 to 100 percent.

U. & O. Rates Are Lower

"Consider also the fact that present U. & O. rates are considerably less than property damage rates, whereas, the chance for U. & O. loss is now equal to or greater than the chance for a property damage loss. You and I know that we will not be able to obtain any advance in the U. & O. rates until the current unpleasantness is over, if then. Therefore, it behooves us to exercise unusual caution in the acceptance and writing of U. & O. insurance. Personally, I do not think we should accept new U. & O. business unless we are also participating in the property damage insurance and then we should take only our share of the U. & O. insurance in relation to our property damage cover. We have heard of many large U. & O. accounts being shopped around, but invariably the brokers are asking for rate concessions and this we are not willing to do, therefore, these U. & O. accounts have passed us by.

"Up until recently, we have been freely writing malicious damage and vandalism, feeling that even if a loss occurred, it would be extremely difficult to prove sabotage and, therefore, the assured would have collected under his regular fire or extended coverage insurance.

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Camden Holds First of Centennial Celebrations

By ROBERT B. MITCHELL

CAMDEN, N. J.—More than 500 local civic and business leaders, stockholders and nearby agents thronged the Camden Fire home office Saturday to celebrate the 100th anniversary of its founding and inspect the newly completed annex which nearly doubles the usable floor space. The anniversary of the granting of the charter will be marked March 10-12 at a conference of field men and general agents and in



W. T. READ

April the home office employees will commemorate the date when business actually began.

Saturday's party, which included a buffet luncheon, was primarily to welcome representatives of various activities in the Camden area and to give the community a close-up of the stature to which Camden Fire has grown in the 100 years since Jan. 12, 1841, when "at a respectable meeting of the inhabitants of the city of Camden" it was decided to form "an insurance company against fire." Having been organized to fulfill a local need, Camden Fire has always had strong local ties. All the original stockholders were local people and their descendants still hold much of the company's stock.

New Features Admired

Guests arriving for Saturday's housewarming found that not only had the new annex been completed but that several features of the existing structures had been remodeled. Visitors entered the office through a new revolving door and found themselves in a completely redecorated lobby. Through the profusion of bouquets from well-wishers it was possible to discern the new counters, office furniture, and floor coverings. The information window is now set in a partition of glass bricks, making a very striking feature in the lobby.

Eleven girl employees were posted

along the route to be taken by guests inspecting the building. The first was Florence Allenbach as "Miss 1841" and dressed in a costume of that period. The others representing successive decades and costumed accordingly, were Ruth Ehrman, Peg Kelly, Ruth Blensinger, Peg Moore, Vivian Bayne, Mary Cheresini, Mary Burke, Ruth Kaighn, Margaret Hinchman and Peg Taylor.

Color Movies Shown

Guided along their course by these damsels, the visitors were next shown color movies of the construction of the new annex which were taken by R. C. Perina, C. P. A., accountant for Camden. From there the tour went to the various departments, including the tabulating machine room where these almost human devices were demonstrated.

The climax of the tour was, of course, the new annex. With its sound-absorbent ceilings and its entire south wall constructed of glass bricks it has been designed to promote maximum working efficiency and comfort. Included in the new structure is the new directors room. On three sides it has a light tone natural wood finish, while the fourth wall is almost completely of glass bricks, resulting in a light and cheerful room. The entire annex and the original structure as well have been equipped with the latest type fluorescent lighting.

Color Presses Viewed

Located in the new annex is Camden's very modern printing plant which puts out the attractive and original promotional material of Production Manager Clark W. Smitheman. The presses are capable of meeting the most exacting standards of full-color work.

The Smith-Austermuhl agency, Camden, arrived in force, hurling confetti



H. O. Huth



John F. Gilliams

and pounding two bass drums and a pair of cymbals. They bore signs reading "Happy Birthday to You" and "The First 100 Years Are the Hardest." David Baird, Jr., president of the agency, is a director of Camden Fire.

Camden Fire's history is unusual and in some respects unique. Since Camden was founded more than 3000 insurance companies have come and gone but Camden has survived to be one of the 21 stock fire companies which have been in business continuously in the United States for a century or more. Though it started out on the mutual basis it did so only because the earlier attempts of

(CONTINUED ON PAGE 38)

Contemplate No Change in HOLC, SCA Deal Feb. 1

Pink Outlaws Pact in New York, but Suggests Rating Law Amendment

NEW YORK—The New York department states it is informed that the HOLC-SCA agreement of Feb. 1, 1940, is being revised "and that a draft of the revision will be submitted to the department in a short time."

WASHINGTON—Officials of the Home Owners Loan Corporation said this week that no action will be necessary Feb. 1 with respect to the insurance contract entered into a year ago with the Stock Company Association.

They explained that the contract was to be non-cancellable for one year, and cancellable thereafter by either party upon due notice, but aside from cancellation there is no provision for termination of the agreement.

It was declared that the contract is working out very satisfactorily and that the HOLC has no present intention of canceling or amending it.

ILLEGAL IN NEW YORK

NEW YORK—The contract effective Feb. 1, 1940, between the HOLC and the SCA has been declared to be in violation of the insurance law of New York in a ruling by Superintendent Pink. This ruling followed an opinion by the attorney-general which held that the contract violated the rebating law.

Under the contract the SCA agreed to make a monthly allowance to the HOLC for inspection and other services on a basis of 25 percent of the premiums collected. It is estimated that the premiums collected run well over \$1,500,000 a year.

Mr. Pink invited the interested parties to consider the possibility of filing a rating plan which would come within the provisions of the insurance law and at the same time offer a solution to the problem.

Cooperate on Legislation

"In our desire to cooperate with the federal government," Mr. Pink stated, "we have considered the possibility of legislation which would authorize the companies to contract with an agency of the government without regard to our rating law. This would be difficult because similar laws would have to be passed in other states and it would not be easy to get such legislation country-wide in a brief period of time. It is also objectionable from the standpoint of public policy. There seems to be no reason why private dwellings controlled by the government should receive better treatment than those owned or controlled by private persons.

"The loss ratio of the HOLC business
(CONTINUED ON PAGE 39)

Watch U. & O. Parleys in Minn.

Hope Expressed Law Can Be Changed to Permit Proper Writing

Much interest is being taken in the discussions now being held in Minnesota with the idea of sponsoring legislation that would permit use and occupancy insurance to be sold in that state on a basis satisfactory to the companies and assured. The initiative in these discussions is being taken by the Minnesota Association of Insurance Agents. The companies have never promoted the sale of U. & O. in Minnesota as they have in other states, because statutory conditions, buttressed by court decisions, have made it impossible to write the business properly. It has been a sore spot with agents, companies and assured. The statutory fire policy in Minnesota is eccentric. It has a rather close resemblance to the Massachusetts policy but is quite different from the New York standard form.

Four Limits of Recovery

Under the statute, there are only four limits of recovery that may be expressed in the policy. One is the face of the policy, the second is a limiting coinsurance clause, the third is a pro rata distribution or average clause and the fourth is not to exceed the actual cash value except in the case of total loss of buildings.

Some years ago the Minnesota supreme court in the Brecher case gave a decision for the assured which had the effect of completely nullifying the intent of the per diem U. & O. form. The court took the position that the insurer was not permitted to use any other limits in the policy than one of the four above mentioned. Hence it stated, the limits per day in the per diem form could not be enforced and the entire face of the policy applied to the loss.

Standard Coinsurance Clause

Ever since that decision was handed down the companies in Minnesota have never used any limiting clauses in the U. & O. policies except the coinsurance clause and the coinsurance clause that is used for U. & O. policies is not a special clause applicable to U. & O. but is instead the standard coinsurance clause that is used in connection with property insurance. The effect of the use of such a clause is the source of much difference of opinion and the experts are loath to try to give the final word.

The companies are very cautious in underwriting U. & O. business in Minnesota. They insist that the assured carry insurance to the extent of a full year's profit and sometimes such business is written on that basis without the coinsurance clause. They insist upon seeing the figures of the insured and are not willing to take anything for granted.

The statement in last week's edition that the companies were only using the old per diem form in Minnesota was incorrect.

If legislation could be agreed upon by the various interests and passed, then there should be a splendid opportunity for agents in Minnesota to develop U. & O. business.

La. Commission Completed

NEW ORLEANS—G. Allen Kimball, attorney of Monroe, La., has been appointed a member of the Louisiana insurance commission. With the appointment of Mr. Kimball the membership of that body is now complete, the other two members previously announced being J. Blaine Cotter, local agent of Lafayette, and Frank E. Rainold, fire protection engineer of New Orleans. At a meeting of the full commission last Friday, Mr. Cotter was elected chairman, and Mr. Rainold, secretary.

Ill. Appointment of Commissioner Upsets All Guesses

The appointment by Governor Green of Attorney Paul F. Jones of Danville as director of insurance in Illinois caused surprise in insurance circles in that Jones had not been one of the large number of possibilities that had been on the guessing list in insurance circles, but a good many felt that there would be such a surprise. It was generally known that Governor Green favored an attorney for the position.

Mr. Jones is 42 years of age and is a native of Danville. He attended Northwestern University and the University of Michigan law school from which he obtained his law degree in 1922. He is a member of the law firm of Lindley, Jones, Grant & Sabat of Danville.

Mr. Jones served as a second lieutenant in the war and is a past commander of the C. G. Redden American Legion post in Danville. He was judge-advocate of the staff of the 33rd division for several years.

In public life Mr. Jones served as assistant state's attorney in Vermillion county and as city attorney of Danville. He was United States district attorney for the eastern district of Illinois under President Hoover.

Although Mr. Jones' law firm is local counsel for a number of insurance companies, he has no particular knowledge of the insurance business. It is understood that Mr. Green was eager to get a man of judicial temperament and one who could not be said to represent any particular branch of the insurance business and hence, be liable to bias.

Mr. Jones was active in behalf of Otis Glenn, former United States senator from Illinois, and Mr. Jones was appointed United States district attorney at the instance of Senator Glenn.

Some years ago, Mr. Jones' late father, O. M. Jones, was in partnership in Danville with Sam Levin, prominent Chicago insurance attorney, the firm being Jones & Levin.

CHANGE IN RHODE ISLAND

PROVIDENCE, R. I.—Horace L. Weller, who has served as director of the Rhode Island department of business regulation, which includes the supervision of insurance, has resigned and is succeeded by B. M. McLynn, a temporary appointment made by W. H. Vanderbilt, retiring governor. New appointments are expected to be made by Governor McGrath, due to an overturn in political control of the state.

BERRY HAS NOT TAKEN POST

LANSING, MICH.—E. P. Berry, the new Michigan insurance commissioner,

George Brown Accidentally Killed

George Brown, local agent of Detroit, who retired in July of 1938 after serving 14 years as executive secretary of the Michigan Association of Insurance Agents, was accidentally shot and killed while cleaning a pistol in his of-



GEORGE BROWN

fice in Detroit. Mr. Brown's secretary and a visitor were in the office in the Ford building at the time. When the accident occurred the stenographer had gone into the washroom and the visitor's attention was directed elsewhere. The stenographer testified that Mr. Brown collected guns as a hobby. Two other pistols, a ramrod and cleaning material were on his desk. Mr. Brown was 77 years of age.

Mr. Brown was born in Dublin, Ire-
(CONTINUED ON PAGE 14)

so far has not visited the department offices. He is understood to have been ill at his home in Detroit. His appointment, so far, has not been confirmed by the state senate, although favorable action is considered likely this week. Governor Van Wagoner has pledged that there will be no wholesale dismissals, which probably assures continuance of most of the insurance department personnel.

FRAIZER TAKES OFFICE

LINCOLN, NEB.—C. C. Fraizer, Aurora attorney, took over the duties of insurance director of Nebraska Jan. 9, succeeding Charles Smrha, who had served since August, 1935.

THIS WEEK IN INSURANCE

First of the celebrations of Camden Fire during its centennial year is a brilliant occasion at the home office. **Page 1**

No change is contemplated in the Home Owners Loan Corporation-Stock Company Association agreement on the first anniversary date, which is Feb. 1. Superintendent Plink of New York outlaws the agreement in his state, but suggests that the rating law be amended to permit such treatment for risks of federal agencies. **Page 1**

Companies are tightening their underwriting rules regarding use and occupancy insurance these days because of hazards inherent in the defense program. **Page 1**

Hearing in the ouster case against the fire companies in Missouri has now been postponed to Jan. 22. **Page 2**

National Fire Protection Association pushing model fireworks law in 17 states. **Page 4**

Much interest is taken in the conferences now being held in Minnesota to try to remove the eccentricities of the law that impedes the writing of U. & O. insurance in that state. **Page 2**

Paul F. Jones, attorney of Danville, is appointed director of insurance in Illinois. **Page 2**

George Brown, who was secretary of the Michigan Association of Insurance Agents for 14 years, was killed accidentally. **Page 2**

State of Washington is expected to make a claim for a total loss on the Tacoma Narrows bridge and a legal battle between the fire and surety companies is foreseen. **Page 3**

Interesting analysis of the so-called spread loss cover is given by G. W. Ingrey of the Excess Management Corporation. **Page 4**

Action in Louisiana indicates Jan. 20 as effective date for new comprehensive liability policy. **Page 19**

E. C. Lunt, vice-president of Great American Indemnity and brilliant analyst and spokesman for suretyship, is dead. **Page 19**

Keystone Exchange subscriber held liable in D. of C. court for debts of exchange in test suit. **Page 19**

Illinois liquor liability rates are increased 25 percent by London Lloyds to meet increasing claim consciousness. **Page 23**

Hearings in Mo. Ouster Suit Jan. 22

Companies File Answer to Amended Petition of Attorney-General

JEFFERSON CITY, MO.—Hearings in the ouster case of Attorney-General McKittrick against fire companies involved in the Missouri fire rate case settlement, have been postponed until Jan. 22.

The companies have filed answer to McKittrick's amended petition in the supreme court here. The answers cover the entire petition. To the new charges included in the amendments, the companies answer by denying that they operate a pool, trust, or agreement, and assert that their rates, premiums and published rating records are established and maintained in accordance with Missouri law. It denies also employing Boyle G. Clark in 1938, which McKittrick charges them with doing while Clark was in the employ of the insurance superintendent.

Denials Are Entered

Effort of McKittrick to show that rates now being collected were established illegally and are not now, therefore, legal, is met at several points by the answer. They deny that the rate order of October, 1922, is the "last and final lawfully approved rate for fire and windstorm insurance in Missouri"; they deny that Missouri law provides that no increase in rates is effective unless or until approved by the superintendent; that they acted in concert in applying for the 16 2/3 percent increase Dec. 30, 1929, or that the sum impounded from the increase belongs to policyholders.

Companies point out that each furnished its experience 1924-1928 in asking for the injunction under which the 16 2/3 percent increase was impounded, and that that experience showed the old rates confiscatory.

The attorney-general, the answer asserts, "has no right or power to maintain this proceeding, in so far as it seeks to determine, fix or charge rates as now being charged, or heretofore charged" by the companies "for the reason that the authority to institute or maintain proceedings for such purposes is vested exclusively in the insurance superintendent."

The companies' denial that the rate order of May 21, 1935 was illegal or void, or procured by conspiracy, bribery or fraud, or that any rate is being collected in excess of lawful rate, is followed by a significant statement: "Rates in effect at the time of filing of the amended information (by McKittrick) have produced a level of rates which is less than the level . . . produced by the order of Oct. 9, 1922."

The answer also makes the points that the federal court at Kansas City has sole jurisdiction of the issues and that the statute of limitations (three years) nullifies McKittrick's action.

Show "In-and-Out" Status

INDIANAPOLIS—Under the supervision of J. W. Stickney, secretary of the Indianapolis Board, a directory of companies and licensed agencies in Indianapolis, both fire and casualty, has been compiled. This compilation shows the information for companies grouped in fleets as well as for the individual companies. The members of the Indianapolis board are starred. The purpose of the compilation is to provide a complete picture of the distribution of agency representation in the Indianapolis area and its relationship to the provisions of the board's "in-and-out-rule" as to membership. That rule became effective Jan. 1.

P. C. Cothran, vice-president Phoenix of Hartford, has been elected a director of the First National Bank of Hartford.

Expect Claim for Total Loss on Tacoma Bridge

See Fight Between Fire and Surety Companies Over Liability

Word has been received in New York that the state of Washington will call upon the insurance companies to pay a total loss on the Tacoma Narrows bridge on the ground that it was improperly constructed and cannot be rebuilt. The state has four months from Nov. 7, which was the date of the loss, to make its claim on the fire and marine companies. Those insurers, it is understood, will take the position that the surety companies that wrote the construction bond are liable. There are 23 sureties on the construction bond for a total of \$5,949,730.

The surety companies will probably take the position that the contractors followed plans and specifications and liability, accordingly, rests upon the fire companies.

The surety companies on the bond are:

Aetna Casualty, \$416,481; American Bonding, \$143,716; American Surety, \$208,240; Central Surety, \$118,994; Columbia Casualty, \$89,245; Continental Casualty, \$89,245; Fidelity & Casualty, \$208,240; Fireman's Fund Indemnity, \$297,196; Fidelity & Deposit, \$600,000; General Casualty of Seattle, \$118,994; Glens Falls Indemnity, \$237,989; Great American Indemnity, \$237,989; Hartford Accident, \$743,716; Indemnity of North America, \$237,989; Maryland Casualty, \$356,983; Massachusetts Bonding, \$237,989; National Surety, \$237,989; New Amsterdam Casualty, \$178,491; Pacific Indemnity, \$178,491; Standard Accident, \$237,989; Standard Surety, \$118,994; United Pacific, \$59,497; U. S. F. & G., \$594,973.

Estimate Three and One-Half Billions Paid to Public Last Year by U. S. Companies

HARTFORD—More than three and a half billions of dollars were paid to the public last year by American insurance companies, according to an estimate by Travelers.

Payments under life insurance policies amounted to more than \$2,700,000,000, which is approximately 75 percent of the total, \$3,615,000,000. Disbursements under various forms applying to persons, as compared with forms applying to property, amounted to 82 percent of the total, indicating that even in a reputedly materialistic age, human beings are more highly valued than property.

Payments under fire insurance policies amounted to approximately \$400,000,000 and under automobile policies, \$175,000,000. It is estimated that automobiles are responsible for at least 20 percent of all payments under all forms of insurance, both personal and property.

S. D. Governor Wants Examiners to Be on Salary

Governor Bushfield of South Dakota in his annual message to the legislature recommended that the payments to insurance department examiners be placed in the general fund and that the insurance commissioner be authorized to employ examiners at stated monthly salaries. Governor Bushfield stated that under the present law the insurance department is authorized to name examiners who are paid by the companies being audited at the rate of \$25 per day.

Fifth Term



A. J. SMITH

NEW YORK—For the fifth successive term A. J. Smith of Zweig, Smith & Co., was elected president of the Association of Local Agents of the City of New York at the annual meeting Tuesday. Other officers elected are: Charles Bellinger, vice-president, and E. Stanley Jarvis, secretary. Members of the executive committee are: E. J. Hopper, G. F. Kern, G. R. Michelson, R. F. Wright and E. V. Treacy. Mr. Smith has been an active figure in agency circles for years; at present, he is a member of the executive committee of the New York State Association of Local Agents, and is on the executive committee of the New York Fire Insurance Exchange, and a director of the New York Board of Fire Underwriters. Prior to 1940 he was on the executive committee of the National Association of Insurance Agents.

Prior to the administration of the present commissioner, George K. Burt, some of the commissioners appointed examiners and collected their expenses at the rate of \$25 a day from the insurance companies being audited and it developed that the examiners were frequently splitting their fees with the commissioner.

Accident & Health Week comes March 24-29. Stage a drive. Write your company for promotional material.

Revealing Chapter in English Correspondence

Because of its insight into war time conditions and the spirit in England, a letter from a head office executive of an English insurance company to the manager of the United States branch is reproduced herewith:

I am ashamed not to have written to you before: first a girl and then a boy (that is right, is it not?) You are indeed a lucky man.

It must be very trying for you shut up in U. S. A. wondering just how things are going on here. I am sure you get many highly colored accounts of bravery and so forth: I can only give a few monotone sketches—I am no hand at color—but they are at first hand.

Time has in some ways stood still, in others it flies by: that is why dates are uncertain.

I suppose it was last June or July when the French cracked: I do not think people here were nearly as concerned as they ought to have been; it was a positive relief to me, not to feel that we were tied to the amiable Gen. Gamelin, with his daily dose of "rien a signaler." Dunkirk was regarded as a deliverance when any sane people would have regarded it as a final and crushing blow.

Daylight Raids Arrive

Then came the daylight raids. I was at Waterloo making for the 5:12 when the siren went, a new horror in sound. It was all novel in those days. Many people left the train for the shelter and I had a compartment to myself. We stopped at Clapham Junction and were told to pull down all blinds; then we went on slowly and finally came to a stop. A few hundred yards ahead bombs were dropping and ugly columns of smoke going up to the sky which was leaden and oppressive. Another train was drawn up alongside ours and someone thought we should make quite a good target. There were more bombs, then a long pause, then at 6:30 the "all clear." We crept slowly ahead: the electric signalling was out of gear and our driver got out of his cab at signal boxes and telephoned at signal posts. There were great gaps in what had been rows of houses: a booking-hall full of people had been hit. We crept slowly past a shattered train standing on the slow line, and there was just room for us to be switched over in front of it before a bomb crater cut the line we were on. And on a fence at the bottom of a

garden were four small children, perhaps from 6-12, cheering and yelling, pointing proudly to the smashed windows of their house.

It is no part of my story, but I shall never forget that day. When I finally got home I found a rabbit had got in the kitchen garden, but at last managed to get him in a corner.

The night bombing was the next phase. The increasing Woo-Woo-Woo . . . of the engines was disturbing at first. Traveling became uncertain, although one always managed to get up to town sometime, some how.

Incident at Wimbledon

One evening, when Wimbledon was the temporary terminus, we had waited, a seething mass of weary humanity, for over an hour for a train. Near me was a middle aged woman with her mother and daughter. She looked tired and worried, but the child was too young to know, the old woman too old to care. Finally, a train came in for Horsham. The old woman and the child got in and the third stayed on the platform, careful to avoid the broken glass swept up in heaps. The train waited interminably, the old woman was too old to care, the child too young to know, but I watched the other's face. Think of it—all the way to Horsham, right away from raids, anyway they thought so then. Finally the train started. "Think of us tonight when we go down into the little old dugout," she said.

It tends to break down some of our native reserve. One morning, walking from Waterloo to the office, I had just turned out of Stamford street when things began to get exciting and they put down some stuff about 100 feet away. I was crouching in a shop doorway with another fellow and after a minute or two we went on our way together and somehow it seemed quite natural at the time, although I had never seen him before. When I got to the office a man was hammering the remnant of my windows into the street below. He looked up apologetically. "You know, sir, I used to clean these windows," he said.

Finally, there are two dear old ladies in the seventies, who have lived alone in their house in Beckenham for years. Houses were down to right and left of them, before and behind. Windows had

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Officers of the Camden Fire and employees costumed to represent the passing of the years celebrated the company's 100th anniversary at the home office.

Front row (left to right): John F. Gilliams, vice-president; W. T. Read, president; and Barry Truscott, vice-president. Second row: Mary Burke, C. W. Makin, assistant secretary; Mary T. Cheresini, W. L. Sparks, assistant secretary; Vivian Bayne, H. O. Huth, vice-president; Margaret Moore, Ruth Blensinger, W. J. Wood II, assistant secretary; Margaret Kelly, Ruth Ehrman, Ralph Hover, assistant secretary; Florence Allenback.

Rear: Mrs. Wilhelmina Taylor, Margaret Hinchman, Ruth Kaighn.

G. W. Ingrey Analyzes Features of Spread Loss Plan

The following communication is from G. W. Ingrey of the Excess Management Corporation, which is sole underwriting managers of the Reinsurance Corporation of New York, National Reinsurance, and Excess Reinsurance Association:

"We are taking the liberty of addressing this letter to you in connection with an article appearing in the Dec. 26 issue of your publication entitled 'Arguments Are Summoned Against Excess of Loss Plan,' which we believe is somewhat misleading.

"To anyone in the insurance business who is on even vaguely familiar terms with excess of loss contracts, it is quite apparent that the writer of the article entitled it one thing and promptly proceeded to discuss something else. In the caption of the article and throughout its entire length mention is made of an 'Excess of Loss Plan' and the detrimental effects of such a plan as opposed to treaty reinsurance but the facts and figures given to prove this contention apply not to an ordinary excess of loss contract but to a specific form of this coverage known as a 'spread loss cover.'

Phenomenal Company

"The writer of the article has utilized an example of a company which to judge from its premium income, must be somewhat of a phenomenon and which has presumably a policyholders' surplus of approximately \$100,000,000 and yet we are asked to believe that it would purchase an erroneously called 'excess of loss cover' to pay 90 percent of the losses exceeding \$7,500 net loss to this vast organization. Furthermore, the article states 'that direct company would get only a small measure of relief in its current year and the next year, under the Lloyds contract, it would have to pay back to Lloyds the losses which Lloyds had paid.' We cannot believe that there are any excess of loss covers, even if on a 'spread loss basis,' which would require the direct writing company to reimburse, in the following year, all losses paid by the excess carrier in the current year.

"For your information we should like to add a few comments regarding the 'spread loss cover.' The article pictures the spread loss cover as undesirable, apparently because the direct writing company does not make any recoveries on losses below the deductible of the cover. The primary interest of a direct writing company should not be that of loss recoveries on small losses but rather its primary object would be to secure and retain as much premium as it can with safety and all calculations regarding reinsurance protection should start from that point. Any reinsurance, irrespective of its form, should be placed not on the assumption of loss recoveries so much as on how much of the premium income the cover will permit the direct writing company to retain, and how little will have to be spent for reinsurance protection.

"A proponent of a 'spread loss cover' has never contended that it offers, as an inducement, recoveries under small losses and we believe this fact is more than overcome by the difference in the purchasing cost of this type of coverage.

Stabilizing the Ratio

"One of the things feared by an insurance management is to have the annual figures distorted by one or two unusual happenings. If a company has a normally low loss ratio for four years and an unusually high one for one year nothing is ever said about the four good years but attention is concentrated upon the one bad year. Had this loss ratio been stabilized over the five years' period no attention would have ever been drawn to the bad year and perhaps this fact explains one of the main appeals of the 'spread loss cover.'

"It is a fact that expense ratios are based on net premium income and it must be obvious to anyone in the insurance business that the more of a company's gross writings it is able to retain for net account the less will be its expense ratio.

"The initial cost and all subsequent costs paid by the direct writing company to the spread loss carrier are entirely dependent upon the very fact brought forth by your article, namely, if the spread loss carrier is only required to refund a small amount to a company then, naturally, this fact is reflected in the rate for the next year and the ensuing years.

"A spread loss cover plus its overlying catastrophe covers give something to the net retained account of a direct writing company in the event of a disaster which a surplus treaty could never donate. Surplus treaty reinsurance gives no protection to the net retained liability of a direct writing company in the event of a catastrophic occurrence. On the other hand, a direct writing company, protected by a 'spread loss cover' and overlying catastrophe covers, knows what it can lose in any one catastrophic event.

Point Is Conceded

"It is granted by both the exponents of the 'spread loss cover' and the surplus treaty that it is impossible to predetermine the reinsurer's contribution to losses under either system but, as previously stated, the 'spread loss cover' carrier's remuneration is in direct ratio to the losses which it may be called upon to pay whereas the surplus treaty reinsurer's remuneration could be out of proportion to the losses paid by it.

"One should not lose sight of the fact that a surplus treaty reinsurer does have the opportunity of gaining investment income, however small in respect of the unearned premium reserve retained by it. Once again, to utilize the example given in your article wherein you speak of a company writing \$72,000,000 annually, let us suppose that it cedes 10 percent of its income, namely, \$7,200,000 annually on a participating reinsurance basis and that the unearned premium reserve on that business, after it has stabilized itself, is approximately 90 percent thereof, namely, \$6,480,000. This

In Higher Rank



ALLAN WOLFF

Allan Wolff of the Associated Agencies of Chicago and a former president of the National Association of Insurance Agents, has now been inducted into the grandfather class. A daughter, Nancy Kendall Wolff, was born at Evanston Hospital, Evanston, Ill., to Allan Wolff, Jr., and Mrs. Wolff. Allan Wolff, Jr., is with the law firm of Wolff, Keane, O'Leary & Gomberg of Chicago.

unearned premium reserve invested at, say 3 percent, would produce an additional annual invested income of some \$194,400 which, if it had been retained by the company, would have gone a long way toward paying for the 'spread loss' carrier's remuneration."

Buckeye Union Close to Goal

Premium income of Buckeye Union Fire for 1940 amounted to just about \$295,000 according to Vice-president A. R. Gibson. That is just \$5,000 short of the objective for the year and the record is considered entirely satisfactory.

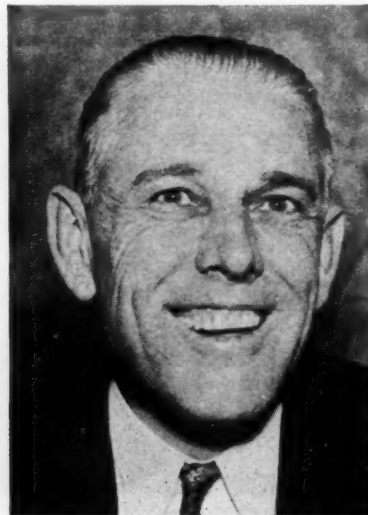
Arthur Park, Orlando office of the Florida Inspection & Rating Bureau, reserve major of artillery, has been called into active service.

New Mich. and Ark. Commissioners



EUGENE P. BERRY

Eugene P. Berry, a veteran attorney of Detroit, has been appointed as the new insurance commissioner of Michigan and J. H. Graves, who has been Missouri Pacific Railway agent at Judsonia, has been appointed the Arkansas commissioner.



J. H. GRAVES

British Securities Plan Doesn't Touch Insurance Holdings

United States Manager Cecil F. Shallcross of North British & Mercantile and O. D. Duncan of Duncan & Mount of New York, attorneys for London Lloyds, have been quoted in refutation of any suggestion that the assets of British insurers in this country might be touched by the proposal for eventual absorption of British-owned American securities by American investment trust groups.

Mr. Shallcross clearly disposed of the suggestion that some of the United States subsidiaries of British corporations might be sold to the public in this country. He said that there is not the slightest likelihood that the British controlled insurance companies doing business in the United States will be disturbed. He pointed out that the British government recognizes the value to the empire of the overseas business of British insurance companies and their subsidiaries throughout the world. The government has repeatedly said that the fullest arrangements have been made to enable these insurers to carry on their business without impediment and to meet all claims with allied, neutral or British claimants under any policy whether it be expressed in sterling or in foreign currency.

Mr. Duncan strongly denied that Lloyds funds in this country might become involved. He said that the American trust fund which now amounts to about \$47,000,000 was created by individual underwriters and was placed in the hands of the City Bank Farmers Trust Company of New York as American trustees and that it cannot be disturbed in any way.

Herndon Johns of Texas D. of C. Manager for Home

Herndon Johns has been appointed manager of the Washington, D. C., office of Home of New York. He has been special agent for that group in Texas since 1937. He attended the University of Texas and in 1927 took a position with the engineering department of the Texas Power & Light Company. In 1930 he went with the rating division of the Texas fire insurance department. He was connected with a Texas general agency and a Texas insurance company before going with Home. In Washington, he takes the place that has been vacant since the death of Leo Riggs.

Home Declares 20 Cents Extra

In addition to the regular semi-annual dividend of 60 cents, Home will pay an extra of 20 cents, both payable Feb. 1 to stock of record Jan. 15.

Fire Association N. Y. Marine Unit

With Donald E. Moodie in charge as special agent Fire Association has opened a marine service office at Rochester, N. Y., with supervision over the entire state, outside the metropolitan district.

Agency Sues Auto-Owners of Mich.

KALAMAZOO—Trial in Kalamazoo circuit court started this week on a \$50,000 damage action brought against Auto-Owners of Lansing by H. C. Woodruff, local agent.

Woodruff endeavored to transfer business from Auto-Owners to American Motorists. Woodruff claims that Auto-Owners wrote cancellation letters and derogatory communications to his policyholders, resulting in extensive business losses.

W. O. Hildebrand, secretary of the Michigan Association of Insurance Agents, was questioned at length regarding the meaning of the "American agency system," as witness for Woodruff.

FOUNDED
1841

A New Century and a New Symbol
OF
1841 ~ SECURITY ~ 1941

With the passing of 1940 the Security Insurance Company of New Haven enters its 100th Anniversary Year. For a full century the *Security* has provided sound indemnity to hundreds of thousands of property owners and businesses throughout the United States and Canada, and during all of those years has unfailingly discharged its every obligation.

The *Security*, its affiliated companies and their thousands of loyal Agents are justly proud of this long and enviable record un-

broken by wars, panics, depressions, and conflagrations. Together we look forward with confidence to even greater achievements during the coming years.

Entering upon this 100th Anniversary Year, the *Security* has adopted and proudly displays above a new trade-mark which from this time on will symbolize "*Security*." It vividly portrays *Protection* and all that the Security Insurance Company stands for—*Strength, Stability and Endurance*.



SECURITY INSURANCE COMPANY OF NEW HAVEN CONNECTICUT

with which are affiliated

The East and West Insurance Company of New Haven

The New Haven Underwriters Agency
of the Security Insurance Company of New Haven

The Connecticut Indemnity Company

Queen Observes Its 50th Anniversary

To mark its 50th anniversary the Queen of America is distributing to some 4,000 agents memorandum pads and holders, specially designed with a commemorative plate. In a letter to agents President Harold Warner paid tribute to the agency force. "As we review the growth through a momentous half century, we recognize that the real constructive force back of the company's strong, steady rise has been the ability and loyalty of its representatives, and to you we extend our sincere thanks for your consistent cooperation and support."

The growth and success of the Queen since its incorporation in New York in 1891 has been outstanding. Prior to this, the Queen of Liverpool had been active in the United States for over 30 years, having entered the country in 1866, with an office at 117 Broadway, New York City. The first statement filed with the New York department indicated that the eight months' operation in this country produced net premiums of \$91,429 and net losses \$21,849.

Steady Growth Shown

The Queen showed steady growth, moving several times to larger quarters. In 1891, when the step was taken to incorporate the Queen of America, the New York office was at 60 Wall street. Prior to this incorporation the Royal had purchased control of the Queen of Liverpool. The American company started business with \$500,000 capital and \$1,000,000 surplus, and located its new offices at 49 Cedar street.

In 1896 the company was located in the Queen building at William and Cedar streets and many agents still have a framed cut of this building on their walls. Those quarters were occupied until the spring of 1907 when the move was made to the Royal building at Maiden Lane and William street. The Queen moved to its present location in the Royal building, 150 William street, when this building was erected in 1927.

From the outset of its operations, the Queen of America aggressively extended its fields of operation and developed a substantial agency organization. Its accomplishments are well evidenced by the financial statement for 1939 in which are found the following figures: Premium income, \$7,227,804; admitted assets \$23,553,514; surplus to policyholders \$14,261,830; liabilities including reserves for unearned premiums, losses, taxes, and other items of incurred liability \$9,291,683; capital, fully paid in, \$5,000,000.

Carlville, Ill. Loss \$75,000

The fire loss at Carlville, Ill., involving three business buildings directly and some exposure loss is tentatively set by Western Adjustment officials at \$75,000 total, although not all of this applies to insurance. The A. & P. store which was burned was self-insured. One of the other buildings was held by the Carlville National Bank as trustee and the third one in the name of the bank directly. These latter two were insured, with their contents, but the amount of coverage was not indicated.

Security Adopts New Trade Mark

FOUNDED
1841



SECURITY
INSURANCE COMPANY
OF NEW HAVEN CONNECTICUT

In celebrating its 100th anniversary year in 1941, Security of New Haven has adopted a new trade mark and signature as shown above.

In announcing the change at a field men's conference, President P. J. Berry said he felt there was a lack of meaning and relationship between the name "Security" and the slanting script trade mark which has been used in the past.

"I have always felt that in view of the fine reputation the company has built up over the period of a century, we should have a trade mark more truly symbolical

of what the Security really stands for—strength, stability, endurance.

"We searched all over the country and had many suggestions from artists submitted to us. In every instance we received commonplace or run-of-the-mine ideas, until we struck on one that seemed particularly appropriate in view of our location in historic New Haven—a Revolutionary War military group in action.

"Effective immediately our new trade mark will take the place of the old script 'Security' on all of our policies, letterheads, leaflets and printed matter."

Accounting & Statistical Group Announces Program for Chicago Parley, April 24

A tentative program for the annual convention of the Insurance Accounting & Statistical Association at the Edgewater Beach Hotel, Chicago, April 24-25, has been announced by E. M. Karrmann, controller American United Life, president.

L. D. Cavanaugh, president Federal Life, will give the welcome. At the general session Mr. Karrmann will give the president's report. "Measuring unit costs as applied to insurance routines," will be discussed by M. H. LeVita, statistician Fidelity Mutual Life; "Some factors for consideration in the elimination of office waste," T. H. Steers, office planning and methods consultant; "Summary of the research facilities of the association," B. H. Miller, statistician State Farm Life.

At the fire session: "Loss Register and Loss System," will be presented by J. S. Pieringer, Jr., statistician Commercial Standard; "The Annual Statement," W. W. Nitsche, statistician Millers' Mutual Fire, Ill.; "Leveling the Peak Load in Tabulating," D. G. Roth, statistician Lumbermen's Mutual; "Methods to Eliminate Various Reports to State Departments," F. W. Premer,

assistant auditor St. Paul F. & M.; "Accounting Procedure of Pool Operations," J. E. Gallagher, statistician Grain Dealers National Mutual Fire. There will be discussion of coordinated fire and casualty tabulating procedure and codification and simplification of card forms.

Special Casualty Program

At the casualty session: "Premium and loss accounting by punched cards and distribution of administration expense by lines of coverage," will be covered by F. I. Hooper, assistant secretary Continental Casualty; "Mechanical calculation of unearned premium reserve," B. J. Mertz, comptroller Buckeye Union Casualty; Premium and loss experience analyses on accident and health business, R. A. McIver, actuary Washington National; "Schedule P—analysis and discussion," L. L. Cox, assistant auditor State Farm Mutual Automobile. At an open forum bureau and board reports, including state requests will be covered as well as payroll and social security records on punched cards, policy writing by punched cards, standardization of forms and terminology, hours and working conditions, simplified punching and separation of financed auto business.

W. R. Riddering, Federal Life, will be general chairman in charge of arrangements assisted by Kenneth Mullins,

Fire Instructors' Meeting in Memphis

MEMPHIS—The annual Fire Department Instructors Conference, sponsored jointly by the fire prevention department of the Western Actuarial Bureau, Chicago, and the Memphis fire department, was held here Jan. 7-10. The meetings were in the fire department assembly hall and at the drill tower. Those in attendance were composed of fire chiefs, fire prevention authorities, university and vocational educators, inspection bureau engineers, and many others concerned in the field of fire prevention. Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, Chicago is the chairman of the conference.

E. P. Coffey, chief of the technical laboratory, Federal Bureau of Investigation, outlined what the incendiary fire has done to Britain and what it could mean here in a talk on "Fire Prevention from the Possible Sabotage Standpoint." He outlined the dangers of sabotage, and said that in the majority of cases the greatest amount of damage is the result of inside work. He said that contrary to practice bomb squads should not be within the police departments, as is in the case in most cities, but that they are more ideally suited to the fire departments, in that the latter has both the equipment and the experience to handle flammable objects. He said that past experience and laboratory tests have shown that the best way to handle bombs is to explode them on the spot if it does not entail too much property damage.

Other Speakers Listed

Other speakers on the program included H. K. Rogers, chief instructor of the fire prevention department of the Western Actuarial Bureau, Chicago, on "What Happened in 1940 in Fire Prevention"; H. W. Lange, assistant engineer of Underwriters Laboratories, Chicago, on "Flame Extinguishment"; Eugene Arms, manager of Mill Mutual Fire Prevention Bureau, Chicago, on "Safeguarding the Storage of Agricultural Products from Destruction by Fire"; E. T. Cox, fire department instructor of the Indiana Inspection Bureau, Indianapolis, on "The Fire Service in National Defense."

Those who participated in the question quizzes and forums included R. C. Loughead, Michigan Inspection Bureau, Detroit; Capt. H. C. Ousley, Missouri Inspection Bureau, St. Louis; E. C. Knowlton, engineer of the National Board, Chicago; A. H. Gent, Illinois Inspection Bureau, Chicago; Sanford Herberg, Fire Underwriters Inspection Bureau, Minneapolis, and E. J. Stewart, Kansas Inspection Bureau, Topeka.

Washington National, life chairman; J. R. Freel, National Retailers, fire; A. E. Forrest, Jr., North American Accident, casualty.

There will be an exhibit of accounting and statistical equipment, according to John P. Walker, Jr., assistant secretary Southland Life, publicity chairman.

BID AND ASKED INSURANCE STOCK QUOTATIONS BY MONTHS IN 1940

(Compiled by H. W. Cornelius of Bacon, Whipple & Co., Chicago)

	Jan. 2	Feb. 1	March 1	April 1	May 1	June 1	July 1	Aug. 1	Sept. 3	Oct. 1	Nov. 1	Dec. 2
Aetna Cas.	124 128	125 133	127 131	124 128	121 126	97 102½	106½ 111½	117 124	113½ 119½	118½ 124½	122 127	128 133
Aetna Fire	51½ 53½	51½ 53½	52½ 54½	51½ 53½	51½ 53½	40½ 42½	46½ 48½	48½ 50½	46½ 48½	51½ 53½	55½ 57½	53 55
Aetna Life	31½ 33½	32½ 34½	32½ 34½	31½ 33½	31½ 33½	24 26½	25 27	28 30	27½ 29½	28½ 30½	27½ 29½	28½ 30
Continental Assurance	38 41	40 42½	39 42	40 43	41 43½	34½ 36½	34½ 36½	34 36	35 37	34½ 36½	34½ 36½	36 39
Continental Casualty	35½ 36½	36½ 38½	36½ 38½	36½ 38½	34½ 36½	27½ 29½	31½ 34	33½ 35	32 34	34 36½	34 36½	34½ 36
Continental	40 42	40 42	40 42	39 41	40 41	30 32	33 34	36 37	35½ 37½	36 38	38 39	39 41
Fidelity-Phoenix	40 42	40 42	40 42	39 41	39 40	29 31	31½ 32½	34½ 35½	35 37	35½ 37½	38 39½	39 41
Great American	28½ 30½	28 30	27½ 29½	28 29½	26½ 28½	21 23½	24½ 26	25½ 27½	25 26½	24½ 26½	26 28	28 30
Hanover	25½ 27½	28½ 30½	28 30	26½ 28½	24½ 26½	19½ 21½	24 25½	25½ 27½	24 26	23½ 25½	26 27½	26½ 28½
Hartford Fire	83½ 84½	85 87	86½ 88½	82½ 84½	85 87	69½ 71½	74½ 76½	75 77	78½ 80½	82½ 84½	85½ 87	88 91
Home	33½ 35½	33½ 35½	33 35	32½ 34½	32 34	25½ 27½	28½ 30	29½ 31½	29 31	30½ 32½	32 34	33 35
Insur. Co. of No. Amer.	70 72	70½ 72½	70 72	71½ 73½	72½ 74½	55 58	58 60	63 66	60 63	62½ 65	68½ 71½	71 73
National Casualty	65 68	65 68	65 68	65 68	65 68	23 25½	23 25½	24 26	25½ 27½	25½ 27½	25 27½	27 29
National Fire	65 68	65 68	65 68	65 68	65 68	46 48½	52½ 55½	54 56½	52½ 55½	53½ 56½	59½ 61½	63 65
Phoenix, Conn.	79 81	83 85	83½ 85½	80½ 82½	82 84½	72 74	74 76	78 80	77½ 79½	83½ 85½	86½ 88½	87 90
St. Paul F. & M.	230 248	238 248	238 248	242 251	240 250	190 210	212 230	225 235	219 230	227 235	243 255	245 255
Springfield F. & M.	123½ 127½	123 127	121 128	123 128	113 118	97 102	105 110	108 112	108 114	112 118	123 130	118 123
Travelers	432 440	455 470	465 475	465 485	455 480	342 385	400 425	395 420	390 410	408 435	415 440	400 420

Hit Political Insurance in Me.

A special investigating committee of the Maine legislature has filed a report in which the distribution of commissions on state insurance to agents not concerned with the production of the business is condemned as "highly improper." The committee criticized the handling of the blanket liability insurance on state automobiles.

The report went into detail on the writing of the policy by Zurich in August, 1940. According to the committee, L. O. Barrows, outgoing governor, directed that much of the commission be paid to an Augusta agent, who does not represent Zurich. The commission amounted to \$893. Governor Barrows, the committee stated, directed that \$600 of this be paid to Brooks Brown of Augusta. Zurich, according to the committee, has delayed payment of the commission pending an opinion from its legal staff.

The committee quoted Governor Barrows as stating that during his administration he had designated the agent to whom commissions on business should be paid in placing boiler, casualty and liability coverage.

Zurich, according to the committee, said that after Commissioner Lovejoy retired from office, the company wrote to the governor saying that it interpreted the law to require that the commission on any policy "may be paid to only properly licensed agents or brokers." Zurich questioned the allocation of part of the commission to Brown on the ground that he was not an agent of Zurich nor a broker.

Barrows replied quoting section 122 of chapter 60 to the effect that agents of insurers may place risks with agents of other insurers when necessary for the adequate insurance of properties, persons or interests. Barrows pointed out that Mr. Brown was a duly licensed agent and was entitled to the commission. The committee said that Mr. Brown testified that he had nothing to do with placing the business and regarded the allocation of the commission to him as a matter of political patronage.

The committee expressed the opinion that the allocation of commission should be determined by the insurer and not by officials of the state.

The committee recommended that the insurance department inquire as to whether real and personal property of the University of Maine is properly included under blanket coverage of state-owned property.

Millers National Inventory Has Unique Features

The unique feature of the new personal property inventory form just published by Millers National is its resemblance to an insurance policy.

Delivering this folder along with a household furniture policy gives the client the impression he is receiving two for one—and such it is because when completed by the client the inventory safeguards full recovery or destroyed and damaged property insured under the policy. Advertising Manager Earl E. Vogt observes.

With its reminder listings, many articles rightfully belonging in his claim will not be overlooked. The inventory becomes a valuable supplementary record to the policy itself.

In the event of loss every standard policy covering personal property provides:

"The assured shall . . . furnish a complete inventory of the destroyed and damaged property, stating the quantity and cost of each article, and the amount claimed thereon. . . ."

Every article assured forget to put down, rightfully belonging in their claims, comes out of their own pocket. Safeguarding against such contingencies is a genuine agency service.

Assured do not as a rule have an accu-

rate idea of the value of their personal belongings. Accumulations through the years reach totals that generally surprise the average householder when he takes stock. Too frequently furnishings are destroyed and that small household furniture policy, renewed on the same inadequate basis from year to year, does not begin to cover the large loss sustained.

Agents are blamed then by their clients for taking the easy road of renewing without consideration of increased valuations. Unquestionably their needs for adequate insurance to value should be impressed upon assured be-

fore they have losses.

This new household inventory can be used effectively in making service attractive to a prospect. With it a producer can virtually offer the standard personal property insurance policy and a valuable supplementary form to be used as a safeguard for full recovery on the first.

Seek Non-Assessable Privilege

BOSTON—A bill permitting Massachusetts mutual fire companies to write policies without an assessment liability provision was introduced in the Massachusetts legislature by Senator Mason

Sears on behalf of the Mutual Fire Insurance Association of New England.

The bill would permit both foreign and domestic mutuals to write non-assessable policies and provides that "every policy issued by any such companies shall clearly state whether or not the holder of such policy is subject to a liability for assessment."

It calls for mutual companies to maintain a surplus to policyholders at least equal to the minimum capital requirements of a domestic stock company, except that it would permit a mutual that has been in business 20 years or more and has a surplus of at least \$100,000 also to issue non-assessable policies.

Announcing A NEW DEPARTMENT AT OUR HOME OFFICE IN WATERTOWN TO HANDLE ALL TYPES OF REPORTING FORM BUSINESS

The establishment of this additional Home Office service follows the discontinuance of our General Cover Department arrangement in New York City.

This new department will be under the supervision of Assistant Secretary A. L. Hollenbeck, who has had long experience on Reporting Covers and Special Risks . . . and who also continues to supervise the Special Risk Department.

Our fieldmen have complete information and are eager to help in every way. Please call on them whenever you need assistance in soliciting or handling Reporting Form business.

Agricultural
Insurance Company,
of Watertown, N.Y.



Empire State
Insurance Company,
of Watertown, N.Y.

NEWS OF FIELD MEN

Phoenix of Hartford Field Men in West Hold Rallies

About 35 field men from the more westerly states of the western department territory of Phoenix of Hartford are assembled at Excelsior Springs, Mo., this week for a conference with head office executives including Vice-presidents Roy E. Eblen and George W. Holton and General Agent Glen Pickens. About 30 field men from the other states in the western department gathered at the Edgewater Beach Hotel Chicago, last week. Assisting in the conduct of these meetings has been U. M. Lelli, general agent for the inland marine and business development departments at Chicago.

Phoenix holds these field conferences semi-annually.

Olson Named in Minnesota by Great American Group

J. W. Olson, who has been state agent in Minnesota of Detroit Fire & Marine and the Massachusetts Fire & Marine, has been appointed state agent for all fire companies of the Great American group except the County Fire, with headquarters at 1022 Plymouth building, Minneapolis. Mr. Olson succeeds the late R. J. Jordon, who died in December after 28 years of service. Mr. Olson will be assisted by J. M. McCann and A. H. Griesman, special agents.

The move from the old offices in the National building will be effected about Feb. 1.

Form Father-Son Team for Camden Fire in Ky.-Tenn.

LOUISVILLE—Shirley B. Lawrence, manager of the insurance department of Lincoln Bank & Trust Co., has resigned to enter the field service of Camden Fire, as co-state agent with his father, E. T. Lawrence, for Kentucky and Tennessee.

Tom K. Givens, who has been with the Lincoln agency for some years, will succeed Mr. Lawrence as manager of the bank agency.

Mr. Lawrence went with the Reisert Agency of Louisville, and in 1925 joined the bank agency. He is past president of the Junior Board of Trade.

At present the state agency includes Kentucky and Tennessee for Camden, and Kentucky for Virginia F. & M., but after March 1, the office will also have Virginia F. & M. in Tennessee.

Blue Goose to Send Mobile Feeding Unit to England

The 41 United States ponds of the Blue Goose have been sent a letter from the officers of the grand nest suggesting that each pond contribute \$50 which would cover the cost of a mobile feeding unit to be sent to England. After inquiry into the situation the officers of the grand nest found that mobile feeding units are most needed at this time. A sum of \$2,000 would cover the purchasing and shipment of a unit which can feed 200 people at a time. Because the Canadian ponds have made other contributions already, they are not being included in this canvass.

The Illinois pond was one of the first to answer this request, and at a meeting of the officers it was voted that a \$100 check be mailed to grand nest headquarters immediately.

Jones and Kendall Make Team

In the article in last week's edition reporting that Malcolm F. Jones had been transferred from Richmond, Va., to Oklahoma, the statement should have been made that he will be associated with Rex Kendall in the supervision of Oklahoma for American.

Glens Falls Field Men Together at Home Office

Field men of Glens Falls from all parts of the country except the Pacific Coast gathered at the home office for three days of well planned discussions. The group was together each day for luncheon and for dinner and one evening there was a banquet, H. V. Schnitzler of Milwaukee presiding in witty style. In addition to the home office executives and department heads there participated in the sessions representatives from Marine Office of America, Associated Aviation Underwriters and General Cover Department of New York, of all which syndicates Glens Falls is a member.

This is the first field roundup Glens Falls has held in many years.

Oregon Field Men Elect

PORTLAND, ORE.—At the annual meeting of the Oregon division, Special Agents Association of the Pacific Northwest, John E. Meeke, Fireman's Fund, was elected resident; Dudley G. Allen, London & Lancashire, vice-president, and M. S. Farrell, Pacific National Fire,

secretary-treasurer. Arrangements were made for a joint meeting with the Portland Association of Insurance Agents (formerly the Insurance Exchange of Portland) to hear an address by A. J. Snow, assistant manager Oregon Insurance Rating Bureau, who will describe the new master schedule under which rerating of all properties in Portland, except special hazards and dwellings, is now in progress.

Harris to Assist Spencer

W. L. Harris has been appointed assistant to F. H. Spencer, Virginia special agent Springfield F. & M., with headquarters at Richmond. He formerly was with a Winchester, Va., agency.

Florida Field Group Elects

TAMPA, FLA.—C. M. Goodman, special agent Firemen's group, succeeds George E. Edmondson, general agent, as chairman of the Florida Field Conference. Hawkins Connolly, special agent Seibels, Bruce & Co., succeeds H. A. Chadborne, Aetna Fire, as secretary.

N. Y. Underwriters Roundup

The annual roundup of field men in the western territory of New York Underwriters is being held in Chicago this

week. The sessions started Wednesday. Present from the home office are Vice-president R. L. Tanner, Assistant Secretaries H. C. Davis and H. C. Klein and G. W. Owens, superintendent of the automobile and inland marine department.

Phoenix of Hartford Changes

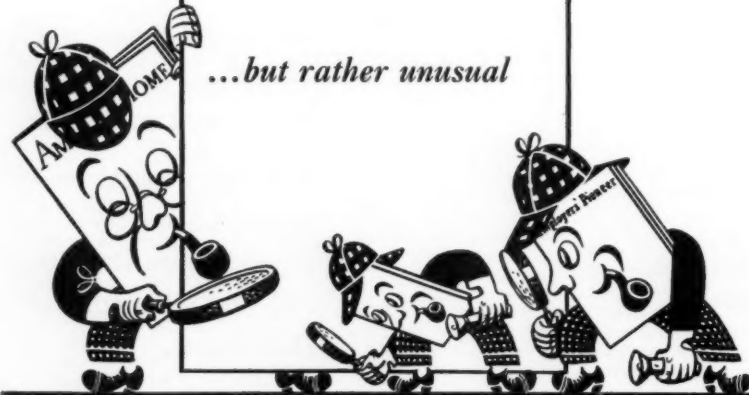
E. F. Wagner has been transferred by Phoenix of Hartford to the Pacific Coast department where he will exercise executive duties. He has been special agent in eastern Pennsylvania, southern New Jersey, District of Columbia and Maryland. He is succeeded in the eastern field by Frank W. Marsh, who has been handling inland marine affairs in the Philadelphia area. Richard K. House, who was graduated from Yale in 1928 and has been with the Phoenix at the head office, will take charge of the inland marine work in the Philadelphia zone.

Pacific Northwest Gathering

SEATTLE—At a meeting of the Special Agents Association of Pacific Northwest W. A. Groce, National Board investigator, spoke on sabotage and national defense. B. K. Campbell, northwest manager National Bureau of Casualty & Surety Underwriters, outlined

ELEMENTARY MY DEAR WATSON

...but rather unusual



Finding prospects for sales is a matter of simple deduction. First we advertise nationally—reaching 2,000,000 persons each month. This advertising brings in thousands of inquiries—which are passed along to our agents. Our agents develop these inquiries into likely prospects with the help of our coordinated direct mail material. And finally these prospects are sold policies by sales methods suggested in our monthly house organ *The Employers' Pioneer*.

Can You Solve This Mystery

How to get more business is a mystery that every agent wants to solve. Yet if you read our magazine "The Employers' Pioneer" you'll find articles loaded with valuable clues. Get a free copy now. Simply write to the Publicity Department.

The EMPLOYERS' GROUP



110 Milk Street, Boston, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

the assigned risk plan which will soon go into operation in Washington. W. A. Dunham, Portland special agent for Swett & Crawford, spoke on consequential losses.

Town Inspections Scheduled

Winchester, Ky., will be inspected Jan. 24 by the Kentucky Fire Prevention Association. R. E. Vernor, Western Actuarial Bureau, will speak.

The Iowa Fire Prevention Association will inspect Keokuk, Jan. 22-23, with H. K. Rogers as principal speaker.

American Field Conferences

Field men from the 12 states in the western department of American gathered at department headquarters in Rockford, Ill., for a three day conference with Manager Fred W. Doremus and a group of other executives including President Paul B. Sommers, Vice-president L. E. Falls, President H. P. Jackson of Bankers Indemnity; Ben McKeel, head of the General Cover Department of New York; Ray D. Sullivan, Chicago manager of Marine Office of America, and John B. Munson, resident vice-president of Bankers Indemnity in Chicago. At the annual banquet the Kennel Club, consisting of western department field men, staged a minstrel show.

Mr. Sommers and Mr. Falls went on to San Francisco to assist Manager A. H. Talmadge in conducting a roundup of Pacific Coast field men Thursday, Friday and Saturday of this week.

J. S. Schmidt's Duties Enlarged

Joseph S. Schmidt, who has been doing automobile specialty work in the western department of North America for several years, has now had a definite territory in Illinois assigned to him for all lines and he will also be available for automobile work elsewhere as in the past.

Great American Coast Rally

Great American held a conference of its newly organized Pacific Coast field staff at San Francisco. The department which has previously been jointly operated with Phoenix of Hartford is now conducted as a separate entity in charge of Herbert Ryman. Vice-president A. R. Phillips participated in the affair.

King Is Washington Special

H. B. King, who has been in the Pacific department headquarters of the Royal-Liverpool groups for several years, has been appointed special agent for the state of Washington to succeed Fred W. Valley. Mr. Valley, a member of the naval reserve corps has been called into service and has been granted an indefinite leave of absence. Mr. King will serve under State Agent D. A. McKinley.

C. R. Johnson Maine President

Clifton R. Johnson, Hartford Fire, was elected president of the Pine Tree State Field Club at the annual meeting in Portland, Me. Vice-president is F. H. Smith, Eagle Indemnity; treasurer, George F. McFarland, Fire Association; secretary, W. E. Wormwood, North British & Mercantile. The executive committee consists of Edgar S. Cook, Standard Accident; M. S. Bradish, Springfield F. & M.; Harvey C. Allen, National Union.

The educational and public relations committee is making plans for a meeting with York county board agents later this month. H. J. Schaffler, assistant manager of the National Board, was the main speaker.

Ill. Field Meetings in Peoria

The mid-year meeting of the Illinois Fire Underwriters Association in Peoria was attended by about 65, and the Blue Goose dinner and initiation that evening had an attendance of about 85. D. M. Vance, Royal-Liverpool, pre-

sided as president of the field organization. Two new members were introduced, they being Clarence B. Kronquist of America Fore and Joseph S. Schmidt of North America.

The principal feature was an address on credit men and insurance opportunities by Don Campbell, credit manager of America Fore. This was very well received.

Frank G. Cargill, North British & Mercantile, presided at the Blue Goose affair. Seven candidates were initiated. Edgar Taylor, Firemen's, was in general charge of the local arrangement.

A dinner dance will be held on Feb. 22 at the Lake Shore Athletic Club,

Chicago. Frank G. Cargill, North British & Mercantile, most loyal gander, is in charge of arrangements.

America Fore Chicago Parley

The annual field roundup of the western department of America Fore will be held in Chicago commencing Jan. 28, at the Drake Hotel. There will be a large contingent present from the head office.

North British Boston Rally

The field men of North British & Mercantile in the New England department gathered in Boston for a roundup

with Secretary A. E. Murdock in charge assisted by General Agent H. A. Klocke. A number of other head office executives attended.

Middle department field men of North British & Mercantile began a three-day session in Philadelphia, Tuesday, under the direction of Secretary R. T. Stewart, with General Agent E. A. Merkl as chief aid. Others attending are Secretary T. M. Patterson and Assistant Local Secretary H. A. Carl, of Philadelphia, and Assistant U. S. Manager R. P. Stockham; Secretary A. W. Barthlemes and General Agent C. A. Mayo, inland marine; Secretary A. E. Lehman and General Agent E. J. Mein-

Is my father in there?



It's so easy to get in the financial dog-house through lack of insurance planning that we used this theme for an advertisement. It appears in the January 11 issue of *The Saturday Evening Post*. It is one of a series of advertisements on the subject of planned protection—"Insure The American Way."

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ers, automobile; Publicity Director W. J. Traynor; Secretary H. B. Standen and General Agent E. P. Folley, brokerage and general cover department.

Transfer F. W. Mallalieu, Jr.

F. W. Mallalieu, Jr., has been appointed inspector in Newark for Great American. He has been connected with the New York suburban department. He has been with Great American for about a year and a half and previously was with Rhode Island in eastern Pennsylvania. For nearly 10 years prior to that he was with the Schedule Rating Office of New Jersey. He is a nephew of W. E. Mallalieu, general manager of the National Board.

C. H. Jones Succeeds Newcomb

Charles H. Jones, who has been special agent and engineer of the Commercial Union group with headquarters in Denver, has been appointed state agent succeeding W. E. Newcomb, who recently resigned to join the Western Underwriters Association in Chicago.

Edwin F. Bridgford, who has traveled the territory for a number of years for Cobb & Stebbins, has been appointed to succeed Mr. Jones.

Guy Addresses Speakers Group

A. C. Guy, Columbus manager of the Western Adjustment, will address the Ohio' Stock Fire Insurance Speakers Association in Columbus Monday on "Use and Occupancy Insurance."

The skit, "Selling Points on Parade," will be put on by that association before the Columbus Insurance Society Jan. 22. Taking part will be C. R. Hartwell, Western Factory; R. N. Merrill, Hartford; D. P. Hague-Rogers, Eagle Star, and Otto Rieg, Home.

NEWS BRIEFS

The Minnesota Fire Prevention Association will inspect Redwood Falls, Jan. 22.

The ladies auxiliary of North Dakota Blue Goose held its monthly luncheon meeting in Fargo. Hostesses were Mrs. George Merrill, chairman; Mmes. J. E. Morris, Frank Nelson and H. F. Morris.

The Kentucky Fire Underwriters Association met in Louisville Jan. 13, the first meeting since the annual in November, and the first at which the new president, Paul B. Grider, presided.

The Minnesota Blue Goose held a stag party in St. Paul. The regular monthly luncheon is scheduled for Jan. 20.

The annual dinner-dance of the Indiana Blue Goose will be held Feb. 15. D. G. Kaga, Royal Exchange, is chairman.

The Seattle Blue Goose will hold its semi-annual meeting Jan. 17.

David C. White, state agent Globe & Rutgers in western New York State, was tendered a farewell party by 80 members of the Syracuse Field Club. He has been transferred to the home office, connected with the metropolitan and brokerage department. He was presented a pen and pencil set. For two years he has edited and compiled "The Question Box," a booklet published by the club as an aid to prospective agents and brokers taking New York State examinations. He has been in insurance work since graduating from Syracuse University in 1925.

Turkey Growers Ponder Insurance

The Iowa Turkey Growers Association has appointed a committee of three to investigate the question of insurance on turkeys. The companies that have been writing the bulk of this business have decided to discontinue it this year in view of the losses in the storm last Armistice Day. The committee will report at farm and home week in Iowa State College, Feb. 12. The committee consists of C. R. Schooby of Bode, Oliver Villas of Storm Lake and Mottie Friedman of Ottumwa.

Ryan President of N. Y. Underwriters

SYRACUSE, N. Y.—J. R. Ryan was elected president of the Underwriters Association of New York at the annual meeting here. Other new officers are: First vice-president, S. W. Ross, Aetna Fire, Rochester; second vice-president, F. M. Kelley, Home, Syracuse; chairman executive committee, David Davidson, Continental, Albany. Mr. Ryan is connected with the New Hampshire in Albany.

Elected to the executive committee for three year terms were William Streets, Phoenix Assurance, Albany; E. J. Coleman, Royal, Syracuse, and L. D. Goulding, Jr., Fireman's Fund, Buffalo (re-elected).

W. T. Bessant, retiring president, made a number of recommendation in his annual address and a special committee will be named to act on them. He recalled that when the association was formed in 1922 it was feared it soon would pass out of existence because of greatly restricted authority, but he said it has a new lease on life. One of the greatest needs in the business is education, he said. Insurance schools such as have been held in Pittsburgh, Cleveland and Albany, should be started throughout New York state, he said, which could be done under supervision of the field clubs. In Canada, he said, damage caused by electrical disturbance is covered under the extended coverage form and he thinks the forms in this country should provide this protection.

Tells New Rating Setup

He discussed the revision of the rating organization territories in New York state, which probably will be effective early in February, saying this should result in more efficient handling of rating and inspection matters. Instead of having these facilities centralized in Syracuse, there will be complete offices in Buffalo, Rochester, Syracuse and Albany, covering those territories, with district managers in complete charge of rating matters, and Syracuse having general supervision over Rochester and Albany. The Buffalo office will continue to be supervised for a time, at least, by H. D. Rice, who has been in charge there for some time.

Lawrence Daw, veteran secretary of the underwriters association, manager Syracuse division of the rating organization, will be in charge at Syracuse and also serve as coordinator of the upstate New York territory.

To Limit the Office Rules

Mr. Bessant decried the recent appeal of a New York state city to the insurance department to help in making a survey of its city property. He held this was the function of insurance agents, with the help of field men. He assured that the "office rules" which have irked many in the business will be eliminated, or at least reduced to a minimum.

F. M. Kelley, retiring executive chairman, reported. Objections to higher rate on dwellings occupied by four or more families were largely overcome, he said, by the increased use of coinsurance. Consideration has been given to a credit for dwelling occupancy above the ground floor in class C communities, in mercantile buildings, but this was believed inadvisable by the committee.

H. D. Rice, assistant manager New York Fire Rating Organization, was present, reviewing accomplishments of the past year.

G. S. Van Schaick, vice-president of New York Life and former superintendent of the New York department, has been elected a trustee of the Bowery Savings Bank, New York.

Theodore Browning, 44, of the Browning & Blessing agency, Houston, Tex., died there. He had been in the insurance business the greater part of his adult life.

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Sullivan Renamed President of Boston Board

BOSTON—R. A. Sullivan of Hinkley & Woods was reelected president of the Boston Board of Fire Underwriters for a fourth term. He announced the board's action in permanently relinquishing its rating facilities for metropolitan Boston, which it had held for more than 60 years up to three years ago when the newly organized New England Fire Insurance Rating Association took over the Boston rating work under a three year lease. The board at a meeting in October voted not to take back the rating facilities as of May 1, 1941, as provided for in the terms of the lease, which means the New England association after May 1, will control all rating in New England except New Hampshire.

President Sullivan noted cooperation with the Massachusetts Association of Insurance Agents and mentioned he had been a regional vice-president of the agents association. H. C. Read, F. J. Connors and G. W. Roaf were named a committee to cooperate with the agents in framing a new agents qualification law.

Secretary James Davis reported membership 72 and said 12 underwriters agencies were added in the year and the Northwestern Mutual and Sea signed the board agreement. The insurance department, he said, issued 6,176 brokers licenses in the year, a decrease.

J. S. Caldwell, board enforcing officer, reported an investigation of Class B agents was made in the year and about 275 names were removed from the list. The list of classified agents Dec. 27 included about 2,550 names, there being 72 board members and the balance Class A and B agents, compared with 2,800 in 1939.

Other officers elected are: Vice-president, A. S. Nelson; secretary-treasurer, James Davis; enforcing officer, J. S. Caldwell; executive committee, G. W. Roaf, G. W. Hart, Gerald Henderson, A. J. Anderson, H. C. Read, C. L. Powers and A. K. Pope.

R. A. Benting and H. A. Kneeland were elected to the advisory committee for two years; R. S. Hoffman and H. G. Fairfield for one year, and C. J. Powers and J. J. Cornish added to the bank book committee.

Folonia to Speak to James Forum

At the next insurance forum lecture in the series sponsored by Fred S. James & Co., Chicago, on Jan. 24 at 4 p.m. in the Chicago Board auditorium, Robert J. Folonia, insurance attorney, will talk on "War Risk Perils in the Insurance Field Today." He discussed this subject before the insurance division of the American Management Association, pointing out war risks that are imposed on insurance by the national defense program.

Can't Delegate Power to Bureau

CINCINNATI—Declaring the city has no right to delegate police powers to a privately-maintained bureau or an individual, Municipal Judge Alexander has dismissed W. F. Strasburger, a stoker dealer, on a charge of failing to have electrical stoker installations checked by the Ohio Inspection Bureau.

Judge Alexander ruled that the ordinance, which permits the building commissioner to accept the approval of a private bureau, to be constitutional, but declared the city has no right to compel applicants for a city permit to go to the bureau.

Strasburger contended the building inspector should make the inspections. He said the bureau charged a \$2 fee for inspection and the city also charges a fee for a permit.

Students Get Practical Slant

Seventy-five members of the insurance class of the Marquand School of the Central Branch of the Y. M. C. A. of

Brooklyn were guests of America Fore Monday evening when they were shown the functioning of the local and brokerage departments. The meeting was held under the joint supervision of America Fore Secretaries Victor Kurbyweit, Thomas D. Hughes and George E. O'Hara.

Auto Theft Policy Covers Larceny Losses

WASHINGTON—Holding that the terms "theft" and "larceny" are synonymous, the United States court of appeals for the District of Columbia ruled that insurance companies by using the former term in automobile policies cannot evade responsibility for many cases in which they would be liable if they used the latter.

The decision was rendered in an appeal by Pennsylvania Indemnity Fire from a municipal court judgment granting the owner of a car \$480 under policy which provided for payment of loss from "damage resulting from theft."

Evidence showed that the car had been wrecked after having been taken without authority, which constitutes larceny, and the court held that it constituted "theft" within the meaning of the policy.

Expect Appeal from Texas Decision Favoring Mutuals

As the result of the decision rendered on Jan. 9 by the Beaumont (Tex.) court of civil appeals in Lewis vs. Independent School District of Austin, et al., the way seems to be paved to obtain from supreme court of Texas a clear-cut opinion on the constitutionality of the Texas statute governing the right of public corporations to insure in mutuals. It is expected that C. H. Lewis, a taxpayer who is seeking to enjoin the payment by the school district of a \$264 fire insurance premium to Millers Mutual Fire of Texas, will perfect an appeal to the supreme court from the unfavorable decision of the Beaumont court.

In Texas a statute of 1929 specifically authorizes the insurance of public property in mutual companies. A recent opinion of the attorney-general, however, questioned the constitutionality of the statute, and prompted the present court action.

The petition for injunction was heard originally in the Travis county court at Austin, and was denied April 1, 1940. The hearing of Lewis' appeal was transferred to the Beaumont court.

The Beaumont court held that in pur-

chasing the mutual policy and in contracting to pay the premium the school district did not make a loan of its credit to Millers Mutual Fire. Commenting upon the theory advanced by counsel for Lewis that a partnership exists among the policyholders in a mutual company, the decision stated: "A mutual insurance corporation is not a partnership; the policy holders are neither partners of each other nor of the company." It declared also: "The school district did not become a stockholder in Millers Mutual Fire or a subscriber to its capital stock by its purchase of the insurance policy in issue."

"The point presented by this appeal is of the greatest importance to the municipalities of this state," the decision concluded. "Article 4860a-8 is remedial in its nature, and on the statement we have taken from appellees' brief it appears that the municipalities insuring with Millers Mutual Fire make great savings on their insurance premiums. Since the very constitutional points presented by this appeal have been ruled against appellant in every state where they have been raised, we do not feel authorized, on the authorities cited by appellant, to hold that Article 4860a-8 is unconstitutional. It follows that the judgment of the lower court should be affirmed, and it is so ordered."

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U. & O. Losses Sure to Be Prolonged, Field Club Warned

A large crowd at the meeting of the Cook County Field Club in Chicago heard R. M. Beatty, Cook county manager Western Adjustment, discuss estimating use and occupancy values and the probable effect of the present business and defense situation on use and occupancy losses. Mr. Beatty said that a firm using machine tools is practically certain to have a prolonged shutdown if any of this equipment should be damaged or destroyed, and it is quite likely that the same will be true of restoring buildings and eventually even of replacing mercantile stocks.

There is already a reasonable amount of use and occupancy insurance written on the basis of an 18-month shutdown, Mr. Beatty said, and there will undoubtedly be more of this if field men explain the situation to agents and assured. Some risks would be wise to insure for a two year period, since the present situation, particularly in the machine tool field, is likely to last for at least two years.

No Recent Losses

Fortunately, Mr. Beatty said, there have been no important use and occupancy losses in the last six months. He predicted, however, that the next severe one will surprise many, particularly if machine tools are involved. All machine tool manufacturers are tied up for from one to two years and officials of one plant stated recently that if they received no additional orders they could operate on three shifts for a year. If the assured has a government contract, he might get a preference in replacing his equipment, but otherwise he would face a long shutdown.

While the building situation has not been publicized as much as the machine tool situation, and is not as critical, Mr. Beatty said that nevertheless delays in replacing buildings are almost certain. Building labor is flocking to areas where cantonments and other defense projects are being built and all contractors are finding it hard to get skilled workmen. He told of one firm which has always made a practice of getting three bids on any construction work, but which in seeking to repair some recent damage could get a bid from only one contractor and then only because the assured was an old customer.

Delay in Windstorm Losses

Another illustration of this situation is the delay in repairing windstorm losses caused by the Armistice day storm. Mr. Beatty said that loss officials at first thought that the overwhelming number of losses caused the jam, but the storm is now two months away and there are still many losses which have not been closed because it has been impossible to get repairs made.

Mr. Beatty said that it will also take a much longer time than normal to replace office and store fixtures, because cabinet makers and other skilled workmen are now doing similar work on defense projects. The situation regarding stock is not serious as yet, but everyone expects eventual delays from this cause.

The present situation should also make assured interested in ordinary payroll coverage. Mr. Beatty pointed out that an assured operating on three shifts can scarcely afford to pay his employees if he is shut down, but will have almost unsurmountable difficulty getting his skilled employees back if he does not. Some assured have been increasing payroll coverage from three to six months because of this.

Mr. Beatty suggested getting the assured to fill out the certified computation sheet used for agreed amount forms where insurance is carried under either the contribution or the gross earnings form. Even though insurance may not

Camden Fire's First Home Office



First home office building of Camden Fire constructed in 1858 in Camden, N. J. and replaced by the first unit of the present buildings in 1899. The Camden is now celebrating its 100th anniversary.

Canadian Car & Foundry to Pay Insurers \$1,000,000

NEW YORK—Sixty-seven American fire companies expect shortly to receive from Canadian Car & Foundry of Montreal an aggregate of approximately \$1,000,000 in settlement of their claims for losses on its Kingsland, N. J., plant in 1917. Canadian Car & Foundry, which recently received from the treasury department at Washington a check for \$6,000,000 in part settlement of its claims in the Kingsland disaster, prosecuted the claims of the fire companies in the same connection on an agreed 50-50 basis of awards by the mixed claims commission. The awards of the latter body were certified to the secretary of state and in turn transferred by the latter to the secretary of the treasury for payment.

The Kingsland claims are distinct and separate from those based upon the Black Tom explosion of 1916, which so far as the fire companies are concerned were handled by a committee of executives of which C. F. Shallock, North British & Mercantile, is chairman.

"Field" Promotes R. G. Griffin

Robert G. Griffin, formerly news editor, has now been made managing editor of the "Insurance Field." The position of managing editor has been vacant since last March. Mr. Griffin graduated from Harvard and has been connected with the "Insurance Field" since 1937.

Miss Eleanor Gesner has been made associate editor. She has heretofore been editorial assistant.

be written on the agreed amount basis, he said that the computation sheet will give an assured an accurate idea of how a use and occupancy loss is settled and on what factors his values are based. He went over both computation sheets, explaining the different items.

In talking about use and occupancy values to assured, Mr. Beatty cautioned agents and field men against "determining" values. He said that "estimating" is the correct expression, because no one can exactly foresee what his business will be like in the future and what his business, expenses and profits would have been had the business not been interrupted.

Increase Contingent to 10% in New York Suburban Field

NEW YORK—Approving the recommendation of a sub-committee, the governing committee of the New York Fire Insurance Rating Organization has agreed to allow agents in the suburban territory 10 percent contingent, instead of the 5 percent that has been paid since the suburban association was formed many years ago. The new arrangement, which is to become effective June 30, is predicated upon the premium reserve, instead of upon the business written basis, as is now the case.

Because of the difference in the method to be applied the cost to the companies under the new deal, it is expected, will be increased relatively little. The premium income is estimated at about \$7,000,000. The suburban territory, now a division of the New York Fire Insurance Rating Organization, embraces the borough of Richmond, all of Long Island and the counties of Westchester, Rockland and Putnam.

Suburban agents have long objected to the 5 percent contingent limitation, insisting that the profit from business in the territory justified a 10 percent contingent. The case presented by the suburban agents was submitted in writing by the committee to the 251 members and subscribers of the rating organization and the recommendation of the sub-committee, subsequently endorsed by the governing committee, was based upon the replies.

Prof. Blanchard to Contact Insurance Men on Trip West

Prof. R. H. Blanchard, who is in charge of the insurance courses at Columbia University, has been granted a half-year's leave of absence commencing Feb. 1.

Mr. Blanchard will make an extensive motor trip, visiting states along the Atlantic seaboard and the Gulf, Texas, the southwest, and California, returning by way of the central states. He expects to make a general survey of insurance conditions in these territories and to talk with agents, company men, state officials, and insurance buyers.

It has been his practice during his 25 years in educational work to keep in

McCarl Explains Flexibility of I.U.B. Operations

T. D. McCarl, assistant manager of the Interstate Underwriters Board, in a paper given before the Hartford College of Insurance, stated that I.U.B. form No. 1 is preferred by most insured. Nearly 90 percent of the accounts supervised by the I.U.B. use that form. This form is primarily intended to cover merchandise of stores, warehouses and distribution points. It requires the assured to report the value and location of the property covered 12 times during the year. The premium earned is measured by the average of the values reported after deducting permitted specific insurance.

Form No. 2 was designed to cover stocks of goods in seasonal manufacturing risks where wide seasonal fluctuations in values are characteristic. In connection with this form, the reports for most classes give the values on the last day of each month. For a few classes, the report must give an average of weekly values.

Form No. 5 is a coinsurance floater intended to cover the same classes of accounts as form No. 1 where it is not practicable to report values monthly. This form is not well suited to an assured that has considerable fluctuation in values over all his property but it does protect fluctuations at individual locations when the over all value remains constant. Reductions in the amount of insurance under this form are on a short rate basis.

There is also a class floater form similar to form No. 5 but this does not cover at the assured's principal place of business and is intended to cover small values at scattered points and is adaptable to consigned stock of nominal value.

The I.U.B., he pointed out, performs a stamping service on interstate forms A and B. These are recommended by the I.U.B. for uniform adoption by the various rating organizations. They are similar to I.U.B. forms 1 and 2, but the premium earned is calculated at the specific rate applicable to each location, instead of an average rate for all locations. The I.U.B. assists in collecting copies of monthly reports of values and in checking the mechanical accuracy of earned premium calculations.

The I.U.B., he said, now services for its members about 1,500 accounts which involve more than \$6,000,000 in premiums annually besides some 4,400 A and B accounts. The policies written under the I.U.B. rules produce comparatively large premiums.

Mr. McCarl said that the I.U.B. rule book contains less than 30 pages of rules. These are mainly fundamental rules and when administered broadly permit the greatest flexibility.

Mr. McCarl said that he strongly favors keeping the rules at a minimum and the I.U.B. tries to fit its rules to the assured, not fit the assured to the rules.

Luling Transferred to Texas

KANSAS CITY—Garrett, Inc., has transferred Charles Luling from the Kansas field to Texas, where he will manage the Garrett branch office at Dallas.

M. B. McDaniel, formerly with the Missouri insurance department, becomes office manager for the general agency here, succeeding D. E. Yankie, who has gone with Employers Reinsurance.

close contact with practical men and the conditions under which they work, in order to maintain a realistic view of the insurance business. He hopes that the net results of this trip will be a clearer understanding of the problems which insurance men face, and consequently a more adequate basis for his educational work.

AS SEEN FROM CHICAGO

GLASS FILM FOR EXAMINERS

The film covering the manufacture of plate and window glass of the Libby-Owens-Ford Glass Company will be shown at the meeting of the Association of Fire Insurance Examiners of Chicago Thursday evening of this week. Representatives of the glass company, including H. G. Huhn, will be present to answer questions.

NELSON SWIFT INSURANCE MANAGER

Elmer J. Nelson, since 1932 assistant manager of the insurance department of Swift & Co., Chicago, has been appointed manager to fill the vacancy left by the death of Roy D. Brown. Mr. Nelson has been with Swift & Co. for 26 years starting as an office boy. The department handles all lines of insurance except life and occupational disease.

Mr. Brown had been employed in the company for 35 years. He died Thursday and funeral services were held Tuesday with burial at Mt. Hope Cemetery, Chicago.

HENRY CARLISLE TO ADDRESS CLUB

Henry W. Carlisle, with the Chicago office of Marsh & McLennan, will be the speaker at the monthly dinner meeting of the Insurance Club of Chicago Jan. 21. He celebrated his 65th year in the insurance business in Chicago on Sept. 1. He started as an office boy in the I. J. Lewis agency, which was located in a building on the northeast

Kuffel Assistant Manager of Group in Chicago



W. F. KUFFEL

W. F. Kuffel, engineer and production man in the Cook county office of the Phoenix-Connecticut group in Chicago, has been appointed assistant manager associated with Manager W. H. Potter, Jr. In addition to his administrative work he will continue to supervise the engineering and other activities of the office.

Mr. Kuffel has been with the group for about three years. Formerly he was connected with the Chicago Board for about 12 years, doing engineering and rating work. He is a graduate of Armour Institute. Mr. Kuffel is best known in Chicago for his activity in helping to reorganize the old Insurance Club of Chicago, concentrating activity on educational features including the Insurance Institute courses. Mr. Kuffel is past president of the club.

The Phoenix-Connecticut office is being completely rearranged for greater efficiency and space has been added, with private offices for Manager Potter and Assistant Manager Kuffel.

corner of LaSalle and Madison streets. His talk will cover some of the many changes that have occurred in the business since he entered his first job in 1875. The meeting will be held in Eitel's Yankee Grill in the Field building.

E. W. ELWELL IN CHICAGO

E. W. Elwell, United States manager of Royal Exchange, is at the Chicago office this week looking after matters that must be disposed of following the death of Branch Manager Rush B. McClure. Mr. Elwell expects to spend one day in Indianapolis.

THREE BOARD MEMBERS RESIGN

Three resignations of supervising agency members from the Chicago Board were announced. They are F. P. Leonard, Cook county manager Girard, and W. J. Faymonville, Cook county manager Milwaukee Mechanics, who are retiring from their duties, to continue as brokers, and F. P. Wood, Rockwood Company.

T. J. REIDY IN NEW QUARTERS

The Thomas J. Reidy & Co. agency of Chicago is now located in new and larger quarters at 2019 Insurance Exchange. Sharing quarters with Mr. Reidy is T. J. Hall, well known class I agent.

Harold C. Watson, Detroit, agency secretary Dearborn National group, was in Chicago on a business trip last week.

Bradford Smith, Jr., fire secretary, and Joseph E. Hitchcock, assistant secretary of North America, are visiting the Chicago service office this week.

C. Marshall Rogers, Jr., whose father is an official of the George Herrmann & Co. agency of Chicago, is to be married in Detroit Jan. 18 to Dorothy Patterson

McKinnon, daughter of Mr. and Mrs. D. M. McKinnon of Detroit. Young Mr. Rogers, graduate of the University of Michigan, is an engineer for the Commonwealth Edison Company.

Forshay Testimonial Banquet Speakers Are Announced

DES MOINES—The program for the testimonial banquet for R. W. Forshay, Anita, Ia., vice-president National Association of Insurance Agents, which will be held in Des Moines Jan. 27, at the conclusion of a one-day mid-year meeting of the Iowa Association of Insurance Agents, has been announced by B. C. Hopkins of Des Moines, general chairman.

Lyle M. Jefferies of Clinton, president of the Iowa association, will serve as toastmaster. Speakers will include Alex H. Case of Marion, Kan., chairman of the National association rural agents committee; J. Dillard Hall, assistant agency director United States Fidelity & Guaranty; George H. Bell, Chicago, western manager National Fire; George W. Scott, director educational division National association; A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce"; Allan I. Wolff, Chicago, past president National association, and Will H. Harrison, Des Moines, Iowa state agent National Fire and dean of Iowa field men.

John B. Hollister, Cincinnati attorney, has been elected a director of Cincinnati Equitable Fire, succeeding the late C. P. Johnson, vice-president of Western & Southern Life.

The monthly dinner meeting of the Insurance Women of New Jersey will be held at Newark Jan. 16. E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, will be the speaker. President Ada V. Doyle will preside.



"That's why I represent
Pacific National"

"A Company that forges ahead so consistently is the best 'insurance' an Agent can have for his own success. Pacific National's impressive record of growth and expansion decided me!"

Although progressive in outlook, Pacific National is conservatively managed . . . one of America's soundest companies. • Offering nationwide facilities and service that are the last word in Agency cooperation, Pacific National is constantly alert to Agents' needs, alive to new-business opportunities.

Inquiries from established Agents are invited.

**PACIFIC
NATIONAL
FIRE INSURANCE
COMPANY**

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Eastern Dept., Philadelphia
Western Dept., Chicago
Southern California Dept., Los Angeles

OTHER OFFICES

Atlanta, Boston, Cleveland, Dallas, Denver, Detroit, Fresno, Indianapolis, Kansas City, Newark, Pittsburgh, Portland, Sacramento, Seattle.



**WHEN
in doubt**

. . . on a knotty problem of coverage, of rates, of forms—or you need help with efforts to increase and diversify your business locally—follow this timely suggestion: Send your problem to:

**HERE'S
the answer**

The personalized, on-the-spot assistance of a friendly fieldman, plus specialized Home Office facilities, are the cooperative business-building and underwriting services offered to you . . . by . . .

**The
HANOVER FIRE INSURANCE CO. of N. Y.**

**The
FULTON FIRE INSURANCE CO. of N. Y.**

Home Office
111 John Street
New York

Western Department
Insurance Exchange
Chicago

*Use Hanover-Fulton Facilities
and write "tomorrow's" business today.*

Heads "Ad" Agency



CARL J. BALLIETT

Carl J. Balliett has been elected president of Morse International, Inc., New York advertising agency, which handles advertising for National Reinsurance and Reinsurance Corporation of New York, in addition to a number of accounts in other fields.

Shaw Newton, formerly secretary-treasurer, succeeds Mr. Balliett as vice-president. J. P. Sawyer has been made secretary-treasurer. Edward P. Anderson continues as vice-president, Richard Nicholls as radio director and Glenn Holder as account executive.

For several years Mr. Balliett was managing partner in the E. P. Remington Advertising Agency, now Addison-Vars, Inc., of Buffalo. Later he organized his own agency, Carl J. Balliett, Inc., with offices in Florida and North Carolina, which handled a number of leading southern accounts. He became associated with Morse International in 1932 as vice-president and manager.

The Morse agency has just moved into new offices on the 12th floor of the Chanin building, New York.

Geo. Brown, Veteran Figure in Mich. Insurance, Killed

(CONTINUED FROM PAGE 2)

land, and came to the United States at the age of 20. He became an American citizen in 1887. He served in the lower house of the Michigan legislature for one term commencing in 1919 and another in 1921. He was an unsuccessful candidate for the legislature in 1932. He was at one time secretary and business manager of the Detroit Board of Education. Mr. Brown took an intense interest in accident and health matters and he was the first secretary of the National Accident & Health Association.

Mr. Brown was made secretary of the Michigan Association of Insurance Agents in 1924, after that organization had conducted an active membership campaign and had increased the membership to 507. Mr. Brown had been attracting considerable attention. He had given a talk that was well received at the Milwaukee convention of the National Association of Insurance Agents on publicity. He had done publicity work for the National Board, and in the legislature had been a militant spokesman for stock company insurance.

Mr. Brown represented Automobile of Hartford, American, Aetna Casualty, Continental Casualty, Employers Liability and Michigan Life.

Mr. Brown's forte was organization work. He enjoyed being in the midst of affairs. He was kindly and helpful. He would scold the members of the association for this and that but in such

a whimsical way that the members enjoyed the experience. He liked to be on his feet and at a meeting he was busy in dozens of ways, an occupation that obviously delighted him. He liked to write and corresponded for insurance trade journals from time to time. He had been in newspaper work at one time in his career and he always took occasion to indicate that he knew the requirements of journalism.

Fire Loss in '40 2.6% Below '39

NEW YORK—The National Board estimates the country's fire losses for last December at \$28,617,000, compared with \$27,959,200, suffered in the same month of 1939, and \$32,758,044 in December, 1938. Inclusion of last month's figures brings the total estimated fire loss for 1940 to \$305,449,520, as against \$313,498,840 the previous year, a decrease of 2.6 percent.

The monthly record for each of the past three years is:

	1938	1939	1940
Jan.	\$ 27,676,337	\$ 27,615,316	\$ 36,260,650
Feb.	26,472,626	29,303,520	34,410,250
Mar.	29,050,968	30,682,168	29,788,800
Apr.	25,616,112	27,061,522	26,657,190
May	22,917,577	27,031,700	23,446,590
June	19,473,617	24,190,700	19,506,000
July	20,434,688	22,468,304	20,322,800
Aug.	20,821,184	22,800,500	20,722,100
Sept.	23,372,528	22,837,250	21,198,000
Oct.	24,797,624	24,300,500	22,691,140
Nov.	28,658,695	27,248,160	23,449,000
Dec.	32,758,044	27,959,200	28,617,000
Total	\$302,050,300	\$313,498,840	\$305,449,520

Visit Fire Patrol Stations

Members of the Illinois Field Club, Western Insurance Bureau organization, on Tuesday visited the various fire insurance patrol stations in Chicago at which special demonstrations were conducted. The visits were made after a brief luncheon session.

Munson San Diego President

SAN DIEGO, CAL.—The San Diego Insurance Exchange at its annual meeting elected as president Chester N. Munson, vice-president Victor Venberg, secretary Horace Naylor; directors, Ralph Hurlburt, Ralph Corbett, Richard Mills and Ralph Bach. They were installed by President Harry Perk, Jr., of the California Association of Insurance Agents. More than 150 were in attendance.

Correction on Interpretation of Hawaii License Law

Since publication of the booklet "Non-Resident Agency and Brokerage Laws" by THE NATIONAL UNDERWRITER and the "Fire, Casualty & Surety Bulletins," we have been advised of some changes in the interpretation of the agency law by the insurance department of Hawaii. The department states that the fee for a non-resident is \$10, plus \$1 for application. It also states that it interprets section 6807 as permitting a licensed non-resident to write insurance on property or risks owned by residents of Hawaii, provided the order is placed outside the territory.

This will appear in the February issue of the "Fire, Casualty & Surety Bulletins." It is suggested that those who have copies of the booklet indicate this change on the Hawaii page.

Booklets can be secured for \$1 at any office of THE NATIONAL UNDERWRITER. The compilation outlines the counter-signature and commission laws of states, territories and District of Columbia under 10 uniform headings, showing whether a non-resident may or must be licensed, fee, term and expiration date, restrictions on non-residents, counter-signature requirements, including whether field men may countersign and exceptions for mutuals and other insurers, commission restrictions and reciprocal and retaliatory provisions.

Martin and O'Connor Slated

CINCINNATI—V. G. Martin, new executive secretary of the Ohio Association of Insurance Agents, and F. P. O'Connor, assistant superintendent of insurance, will speak Feb. 13 at the monthly meeting of the Cincinnati Fire Underwriters Association.

McGuire, Culbertson Transfer

Philip McGuire who has represented the Floyd West Company agency in San Antonio, Tex., territory, as special agent, has been transferred to Dallas as production manager, effective Feb. 1. He will be succeeded in San Antonio by Jack Culbertson, who has been special agent for the Floyd West Company in Houston territory.

To commemorate its 40th anniversary, the New York Insurance Society will hold a dinner-dance at the Waldorf-Astoria Feb. 25.



The Oldest Insurance Company On Earth

... is still a leader in prompt service, prompt payments and liquidity

When you do business with the Sun, you have at your disposal a background of underwriting knowledge gathered over a period of 230 years. Leading insurance agents everywhere find that the prestige and the service of the Sun is a valuable aid in securing new business and satisfying old clients.

Founded 1710

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SUN UNDERWRITERS INS. CO. OF N. Y.
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**HOTEL
WOLVERINE**

Hotel Wolverine takes pride in noting the large number of guests who return to its doors. Travelers like the quiet, friendly atmosphere and the delightful accommodations afforded them. They appreciate the economy and find Hotel Wolverine located conveniently close to all activities.

**500 ROOMS \$150
WITH BATH from \$1.
ELIZABETH ST. EAST
AT WOODWARD AVE.**

DETROIT



STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Jan. 13, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	125	130
Aetna Fire	10	1.80*	55	57
Aetna Life	10	1.40*	27 1/2	29
Amer. Alliance ..	10	1.20*	24 1/2	25 1/2
Amer. Equitable ..	5	1.00	20	21 1/2
Amer. Home	10	...	5	6
Amer. (N. J.) ..	2.50	.60*	13	14
Amer. Surety	25	2.50	49 1/2	51 1/2
Automobile	10	1.40*	39	41
Balt. Amer.	2.50	.40*	7 1/2	8 1/2
Bankers & Ship ..	25	5.00	103	106
Boston	100	21.00*	615	630
Camden Fire	5	1.00	21	22 1/2
Carolina	10	1.30	29	31
Contl. Cas.	5	1.50*	34	36
Contl. N. Y.	2.50	2.00*	39	40
Fidelity-Phen. ..	2.50	2.00*	38	39
Fire Assn.	10	2.50*	67	69
Firemens (N.J.) ..	5	.40	9 1/2	10 1/2
Franklin Fire ...	5	1.40*	32	34
Gen. Reinsur. ...	5	2.00	41 1/2	43 1/2
Georgia Home ...	10	1.20*	25	27
Glens Falls	5	1.60	45	47
Globe & Repub. ..	5	.50	9	10
Gt. Amer. Fire ...	5	1.20*	27 1/2	29
Gt. Amer. Ind. ...	1	.20	10	...
Halifax	10	1.00**	10 1/2	12
Hanover Fire ...	10	1.20	27	28 1/2
Hartford Fire ...	10	2.50*	88	91
Home Fire Sec. ...	10	...	2	2 1/2
Home (N. Y.) ...	5	1.60*	34	36
Home Indem.	5	.65	11	...
Ins. Co. of N. A. ..	10	3.00*	72	74
Maryland Cas. ...	1	...	1 1/2	2 1/2
Mass. Bonding ...	12.50	3.50	67	69
Mer. (N.Y.) Com. ..	5	2.00*	49	51
Natl. Cas.	10	1.00	28	30
Natl. Fire	10	2.00	62	64
Natl. Liberty ...	2	.40	8	8 1/2
Natl. Un. Fire ...	20	5.00*	150	155
New Amst. Cas. ...	2	.77 1/2	17	18
New Hampshire ...	10	1.80*	45	47
Northern (N.Y.) ..	12.50	5.00*	102	105
North River ...	2.50	1.00	25	26 1/2
N. W. Natl.	25	5.00	126	132
Ohio Cas.	5	1.20*	36 1/2	39 1/2
Phoenix, Conn. ...	10	3.00*	88	91
Preferred Acci. ...	5	.80	13	14
Prov. Wash.	10	1.40*	35 1/2	37
St. Paul F. & M. ...	62.50	8.00	250	258
Security, Conn. ...	10	1.40	36	38
Sprgfld. F. & M. ...	25	4.75*	124	128
Travelers	100	16.00	415	430
U. S. Fire	4	2.00	51	53
U. S. F. & G. ...	2	1.00	21 1/2	22 1/2

*Includes extra. **Canadian funds.

E. I. Peters Named St. Paul Head of Western Adjustment

Edwin I. Peters, formerly general adjuster at Minneapolis for Western Adjustment, has been made manager at St. Paul, succeeding Allan L. Miss who has asked to be released on account of ill health.

Mr. Peters is a veteran in the adjusting field, and has become well and favorably known to the business in Minnesota during the past nearly four years since he has been general adjuster. For a number of years he had charge of the Springfield, Ill., office and he had experience in the head office before going to Springfield.

TNEC Plans Final Report

Members of the Temporary National Economic Committee held a meeting at Washington Wednesday to plan the preparation of its final report. A statement of progress was submitted by Dr. Dewey Anderson, executive secretary, and Chairman O'Mahoney discussed the significance of the committee's work with respect to the relation of government and business during and after the present crisis.

N. Y. Assembly Committee

ALBANY—The New York assembly committee on insurance consists of Russell Wright, Jefferson, chairman; Reoux of Warren, Marble, Ontario; Darling, Chautauqua; MacKenzie, Allegany; Kreinheder, Erie; Stuart, Steuben; Owens, Westchester; Crews, Kings; Anderson, Broome; Moran, Kings; Rudd, Kings; Foy, Albany; Turshen, Kings; Fogarty, Bronx.

Ohio Farmers Big Day Feb. 12

The annual meeting of the Ohio Farmers Agents Association and the Ohio Farmers Insurance Company will be held at the home office at Le Roy, O., Wednesday, Feb. 12. The celebration actually commences on Monday, Feb. 10.

Security Sends Out Sales Manual as Centennial Feature

The Security of New Haven has sent to all fire agents of the group in this country and Canada a copy of "Selling Security," a 110-page sales and educational manual covering 23 of the more important classes of fire and inland marine insurance written by the fire companies of the group.

Combining information on new forms of insurance with selling suggestions, "Selling Security" is essentially intended to help the agent increase his premiums.

Each of the 23 sections contains a sales interview designed to develop in an interesting way an easy-to-grasp picture of the coverage involved. An effort has been made to "give the facts that sell in a selling manner." A visible index makes individual subjects readily available for quick reference.

A series of direct mail solicitations composed of attention-getting folders is included with the sales interviews. Available upon request, these folders will provide the agent with 23 different three-week, intensive sales campaigns combining direct mail with personal follow-up.

Additional Lines to Be Covered

The manual now contains advertising and sales material on only seven classes of business. Starting Feb. 1, additional material to insert in the book will be sent at three-week intervals throughout 1941.

In the preface, detailed directions are given for each three-week campaign, including the preparation of the prospect list, ordering folders, handling the mailing, following up and final review of the prospect before marking him off the prospect list. Each mailing piece carries a postageless-reply card for the prospect to send back.

Included with the manual are a list of the coverages written by the Security group companies and a copy of the company's "accordion pleat" Inland Marine Guide. The new trademark is strikingly embossed in colors on the front of the manual. Any extra copies of the manual remaining after its distribution to Security group agents will be made available to agents of other companies at the cost price of \$5.

Big Illinois Cannery Loss Will Reduce to \$150,000

Loss in the fire in the Gibson Canning Company plant at Gibson City, Ill., originally estimated by newspapers at \$500,000, probably will not be over \$150,000 when all salvage is realized. Two warehouses and an annex were wrecked. Suspicions of sabotage founded on the fact the plant had on hand 2,200 cases of canned corn for shipment to the army seem unfounded, according to J. D. Wiese, independent adjuster of Chicago, who is handling the loss for Cannery Exchange, one of the Warner reciprocals, in which it was carried. An FBI man and deputy fire marshal investigated the loss this week.

Fire started in Warehouse A, was almost placed under control, then an explosion occurred which now is believed to have been due to two cars of sugar, which is highly inflammable. The fire spread to Warehouse B, which also was destroyed, and the annex partially burned. The plant was of brick and old. It canned principally corn and peas, but some pork and beans, and spaghetti. Salvage in canned goods now is high due to a new process of cleaning smudged cans.

Glens Falls in Excess Office

Glens Falls has been admitted to membership in the Excess Management Association, which embraces 14 other companies.

A GOOD START in the New Year with a strong Company noted for its excellent general service, may bring a larger measure of prosperity to progressive agents, greater satisfaction to assureds and good business from new prospects.



Royal Exchange Group

ROYAL EXCHANGE ASSURANCE
PROVIDENT FIRE INSURANCE CO.
THE STATE ASSURANCE COMPANY, LTD.
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Fire and Casualty Insurance Lines
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Just remember . . . when you require fast and specialized attention for Special Risk Public Liability Insurance, deal with this organization.

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Chairman of the Board

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EDITORIAL COMMENT

Effect of Defense Premiums on Surplus

WITH the prodigious industrial and business activity in connection with the defense program reaching a crescendo phase this year, nothing, it certainly seems, can prevent a heavy increase of insurance premiums. With that increase will come a demand upon surplus of the companies for premium reserve purposes. Indeed, some of the companies in their 1940 statements are expected to show handsome premium increases, accompanied by higher reserves and a diminution of surplus.

Most of the insurers are extremely well larded insofar as surplus is concerned and their statements would still be in excellent balance even were the margin a good deal less than it is. In the late 1920's when premiums were increasing, many of the companies engaged in capital financing to increase both capital and surplus accounts, or at least to prevent surplus from declining with an increasing volume of business. It is doubtful today, however, whether managements will take that course. It is more likely that they will permit surplus to dwindle at least unless and until the point is reached where what might be called the cover ratio might be questioned.

The most important deterrent to new financing is probably the difficulty of making investments to produce satisfactory yield in comfortable types of securities. All of the insurance companies today have cash resources far beyond what is necessary even according to the most conservative standards. There are

millions and millions of investment cash in the hands of insurance companies. A group of five executives that have charge of investments, got to talking about this situation the other day. They did some figuring and found that these five men had at their disposal in their insurance companies more than \$12,000,000 of investment cash.

The situation was far different in the late 1920's when there was a great scramble to get hold of every possible dollar, so that it could be promptly doubled.

Perhaps, in this country there is too much emphasis in insurance company statements on the surplus item. Many company managements feel that it is necessary each year to show an increase in surplus. A decrease frequently brings with it a sense of mortification. It is an intensely competitive factor in the business. We once saw the home office statement of a Swiss company which would have confounded those who are accustomed to the balance sheets in this country. There was at no place any item such as surplus. Except for capital, every item of assets was covered by a reserve of one kind or another. It was impossible to ascertain what the equity of the owners was in these reserves.

We don't advocate the abolition of the surplus item in statements, but so long as the margin is obviously adequate, we can see little reason for straining to produce an increase in surplus year by year regardless of circumstances.

Sympathy for the Bond Underwriter

PERHAPS the most unenviable desk in the entire insurance business these days is occupied by the surety bond underwriter. In handling the surety requirements in connection with the defense program he must become familiar overnight with the whole complicated situation of the day and in an attempt to arrive at correct decisions he must undertake to see the problem clearly and as a whole. He is being called upon to make decisions of the utmost gravity. On the one hand if he declines offerings he is likely to jeopardize the future of the entire surety business by bringing down the charge that the surety companies are impeding the defense program. On the other hand if he accepts whatever comes along on the theory that there is no alternative he could break his company if things go badly.

The government is requiring surety bonds in connection with some types of construction but is waiving the requirements in connection with other types. Some contracts are awarded on the conventional basis; others are on a negotiated basis and still others on a cost plus fixed fee arrangement. It is seemingly impossible to determine the pattern of the decisions of the government in this connection. Some bureaus apparently adopt one practice and others another. There is a suspicion in the surety ranks that the risks for which the government exacts bonds are the ones where the hazard is more pronounced.

The surety people are naturally bewildered. The rules and standards that have guided them in the past seem to be incapable of application in the present emergency. Some of the surety execu-

tives are inclined to pursue a policy of resignation. They feel that the surety companies must avoid at all costs the charge of impeding the defense program and that anyway, the government will not permit contractors or suppliers to default. That reasoning has a certain cogency. The example is cited of a shipyard of secondary importance that was given a contract for the construction of three naval vessels on a negotiated basis. The shipyard undertook to deliver these boats for \$1,600,000 each. The lowest figure for which any of the first rank shipyards would consent to do the work was \$2,400,000. The government authorities felt that they were being gouged and that they would show up the ship contractors. Accordingly they proceeded to negotiate a contract of \$1,600,000 with the junior yard. It is understood that this yard suffered a loss of \$900,000 in the construction of the first vessel. The surety companies provided the bond requirements out of a sense of duty and necessity, but with a sense of despair. As a matter of fact, it is understood that one or two companies put up loss reserves at the same instant that they committed themselves on the bond. However, the government is not permitting this yard to default and, it is understood, has made certain arrangements.

Another example is of a shipyard that has always specialized in a certain sub-

sidary type of construction. The naval authorities requested this yard to take on the construction of certain vessels. The management of the yard demurred, saying that it lacked experience, facilities and man-power. The navy swept these objections aside, saying that they would put a navy man in charge of the construction and would provide naval workers to do the job. Here is the navy actually doing its own work. It is inconceivable that the navy would permit itself to default.

However, there are some hard bitten surety executives who do not subscribe to the theory that the temper of the government and the people is such that there can be no default. They say it is quite true that the psychological factors at present are such that the government would certainly make adjustments in the contract without calling on the sureties to make good, but all of that might change and change abruptly with a new set of world conditions. These underwriters say that they intend to observe just as closely as possible the traditional underwriting policy of the surety business; that they will not pursue a course that might very well spell catastrophe to their companies.

Far be it from us in the editorial back seat, to advise what turn to make. We can only ask for sympathy for the surety underwriter when he is seen with that distraught look.

PERSONAL SIDE OF THE BUSINESS

Emile Bienvenu, certified public ac- lic accountant of New Orleans, who has just retired as chief examiner of the Louisiana insurance department, has published a revised edition of his volume "Accounting and Business Dictionary." This is an enlarged edition. The book was first published in 1922 to provide correct definitions and proper use of accounting, financial and business terms.

Merle Moyer of the claim department at the head office of Ohio Farmers is now on service with his national guard unit at Camp Shelby, Hattiesburg, Miss.

Frank Yetka, who retires Feb. 1 as Minnesota insurance commissioner after completing a six-year term, has made no definite plans for the immediate future. His first consideration will be his health, which has not been good the past year or more. If it is possible for him to arrange it, Mr. Yetka may spend a part of the winter in the south, where he feels the mild, dry climate may improve his health.

S. T. Shotwell, recently appointed assistant manager of the Pacific Coast department of the North British & Mercantile group, received as a parting gift from his associates at the head office a green onyx desk set, while the personnel of the automobile department, which Mr. Shotwell had headed the past six years, gave him a bronze desk lamp and

a matching telephone index. **J. L. Mylod**, assistant United States manager, in presenting the gifts spoke most highly of the activities of the honor guest and the general regret felt over his departure from headquarters.

Thomas E. Wood, prominent Cincinnati local agent, has taken title to 166 acres in the College Hill suburb and is planning a large home building project. The tract already contains a number of residences and 5,000 feet of improved street.

Dudley F. Giberson, prominent local agent of Alton, Ill., and Mrs. Giberson announce the arrival of a son, Melbourne Fernold Giberson, who started out at the prodigious weight of nine pounds, 10 ounces. Mr. Giberson is one of the leaders in the Illinois Association of Insurance Agents and was formerly executive vice-president of that organization.

W. B. Respass, general agent of Lexington, Ky., is bereaved by the death of his mother, Mrs. Anne Baldwin Respass, 86.

Roy Jensen of Detroit, special agent for Fireman's Fund, is confined to his home with pneumonia.

W. Owen Wilson, president of the Davenport Insurance Corporation agency of Richmond, and a past president of the National Association of Insurance Agents, has been elected first



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vice-president of the chamber of commerce of that city, which puts him in line for the presidency next year.

Everett T. Tanner of Rockford, Ill., executive assistant of Security of New Haven, is vacationing in Florida.

Walter B. Samet, special agent Automobile of Hartford in Chicago, has gone on a vacation trip to Winter Haven, Fla., where he will remain for several weeks. He made the trip by automobile.

L. E. Ellis, 68, Des Moines local agent, is called the "godfather" of bowling in Des Moines. To celebrate the fact that he started to bowl 41 years ago, he is staging a big party Jan. 19.

John T. Harding, Illinois state agent Millers National, is back on the job after having been in the Geneva hospital since early in December recovering from a throat infection.

Norman W. Reed, executive secretary of the Toledo Association of Insurance Agents, has been installed for his 12th term as secretary of the Toledo Kiwanis Club.

H. Clyde Edmundson, vice-president and manager of the coast department of America Fore, and Mrs. Edmundson expect to take a vacation next month by boarding the steamship "Manhattan" for a trip through the Panama Canal, assuming the "Manhattan" is not put out of commission by its Florida misadventure. Mr. Edmundson's department in 1940 enjoyed the best year in its history.

Thomas W. Earls of the Earls-Blain Company agency of Cincinnati has returned from a golfing vacation at Chandler, Ariz. He made the trip each way by plane.

Marvin Brownlow, manager of the Underwriters Salvage Company of Chicago, is leaving for a vacation trip to Florida. He expects to engage in some deep sea fishing off the east coast. Mr. Brownlow is stricken by the recent death of his son, Joseph, in an automobile accident just as he was about to leave Springfield, Mo., to go to Chicago for the Christmas vacation.

C. E. Case, who retired as assistant United States manager of North British & Mercantile at the close of 1940, left for St. Petersburg, Fla., Monday.

DEATHS

H. R. Earhart, 65, for many years an examiner in the Ohio department, died at Laguna Beach, Cal.

A. J. Phelps, 64, local agent of Muskogee, Okla., died suddenly from heart trouble. He had been widely known in Oklahoma insurance circles since his entry into the business in 1904. For some time after going to Muskogee he traveled for the National Casualty and later established his local agency.

Hervey Mason, 56, partner of the Boston general agency of Elmer A. Lord & Co., died at his home in Melrose. He was a native of Providence, R. I., and went to Boston as a rating engineer with the New England Insurance Exchange, being one of the first rating engineers when the exchange organized its improved risk department in 1911. After about six years with the exchange, he entered the Lord agency and was made a partner in 1920. He was a member of the field practice committee of the National Fire Protection Association.

R. E. Ashley, 55, retired New Bedford, Mass., local agent, formerly associated with his father, Charles S. Ashley, in the New Bedford agency of Charles S. Ashley & Sons, died in Rochester, Mass. Illness caused his retirement two years ago.

Ernest W. Kobman, assistant secretary Rhode Island, died at Columbus, O., Monday. He had been connected with the company since 1934, serving first as state agent for Ohio, and since 1938 at the head office. Early last year he was elected assistant secretary.

His entry into the fire field was with the National Union. Subsequently he became state agent for Phoenix of London in Ohio, and later in Iowa and Wisconsin.

W. W. McIntosh, 77, president of the McIntosh-Bowers-West Co., Akron, O., died at Battle Creek, Mich. He entered the insurance business about 40 years ago and a short time later founded the company which he headed at his death.

Fred W. Geyer, who has been connected with the Edward George & Co. agency of Pittsburgh, died in that city following an operation.

B. F. Rogers, 76, at one time a member of Klee, Rogers, Loeb & Wolff, Chicago, and vice-president of the Chicago Board from 1915-17, died at his home in Lake Forest, Ill. He had been retired from the insurance business since 1934. He was a native of Louisville, Ky., but lived in Chicago most of his life as his father, Joseph M., was western manager of Queen. Upon his retirement after 50 years in the insurance business he was promoted to honorary membership in the Chicago Board.

He started with the Phenix of Brooklyn in 1882 and went over to the western department of Queen as special agent in 1888. Two years later he formed B. F. Rogers & Co., and became city manager of Queen. In 1902 he helped form Klee, Rogers, Wile & Loeb and was with the agency when it took its present name. It was incorporated 32 years ago.

He was the first president of the Chicago board of local improvements and a member of the board of education from 1894 to 1899. Funeral services were held Monday in the chapel at Graceland Cemetery, Chicago.

Elmer E. Cole, who retired in 1931 as president of National Union Fire, died of pneumonia at Norwalk, Conn., General Hospital. He was 80 years of age. A son, E. E. Cole, Jr., is head of the New York office of General of Seattle.

A brother, B. D. Cole, is a prominent agent at West Palm Beach, Fla., who has just published a book, "Insurance Agency Management." A son-in-law is Holgar J. Johnson, president of the Institute of Life Insurance of New York.

Mr. Cole served as secretary of National Union Fire for five years and as president for 25 years. He was an aggressive executive and was credited with taking a number of pioneering steps. He was born in Parkersburg, W. Va., and his first experience was as a local agent in Roanoke, Va. Later he served as special agent in Pennsylvania for Continental.

In 1901, Mr. Cole together with James W. Arrott and some other citizens of Pittsburgh, organized National Union with capital of \$500,000. Although Mr. Arrott was president, Mr. Cole was in charge of the insurance affairs.

In 1931 National Union had capital of \$5,500,000 and surplus of about \$8,000,000.

While Mr. Cole was chief executive, National Union absorbed a number of other companies including Calumet of Chicago, Union of Pittsburgh, Birmingham of Pennsylvania, Atlanta of Miami and American Founders of Milwaukee.

Howard R. Porter, 66, Cincinnati independent adjuster 35 years, died at his home in Norwood after a long illness.

David W. Lane, 94, for 25 years president of the Mutual Boiler and for 20 years president of Paper Mill Mutual, died at his home in Weston, Mass. He retired from both companies about nine years ago.

W. A. Schmitz, 58, Milwaukee agent, died following a heart attack.

W. H. Ford, 81, a local agent at Delaware, O., died there.

Max J. Czerwinski, 47, of the B. A. L. Czerwinski & Son Co., Milwaukee local agency, died after a two months' illness. His father, founder of the firm, died last October.

E. E. Harris, 46, Lincoln, Neb., local agent for a number of years, died after an illness that had forced his retirement from active work three years ago.

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ADVANTAGES

- 1 Simple - Easy - No Red Tape.
- 2 Agents can deduct entire annual commission from remittance to the Company and the Company collects the second and third installments from the insured.
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- 4 No additional cost to Insured.
- 5 No application to be signed by Insured.
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This entirely new Budget Payment Plan opens thousands of new doors for you—doors that lead to new business and bigger profits for you. It is designed to give our agents a more simplified method of extending credit to those clients who are not in a position to pay the entire annual premium at the inception of the policy. It is flexible in that it may be used in connection with any automobile policy not filed with a regulative body. Through this new plan you can greatly increase your income. The plan makes it possible for many more to buy protection now who formerly were not able to, due to financial reasons. But, write for this interesting folder—it describes the complete plan in a nutshell.

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The NATIONAL UNDERWRITER

January 16, 1941

CASUALTY AND SURETY SECTION

Page Nineteen

Big Mutuals Are Getting Edge on Defense Premiums

Cost Plus Contracts Are Placing Stock Companies at Disadvantage

NEW YORK—Stock casualty executives are much concerned at the inroads which the larger mutual carriers are making in the writing of workmen's compensation on war defense construction, particularly the building of cantonments, since the way in which federal contracts are drawn makes it virtually mandatory for the contractor to take the lower bid which the mutuals can make by reason of their dividends. At the same time the stock carriers except in a few unregulated states, must quote the same rate as the mutuals do before the latter deduct their dividend. In several cases contractors have canceled stock company insurance and replaced it with mutual.

The situation is aggravated by the fact that the stock carriers are straining themselves to the utmost to meet construction bond requirements in connection with defense program manufacturing and for patriotic reasons are taking many applications which they would ordinarily reject. The mutuals of course may not write such bonds.

Where Purchase Applies

The virtually mandatory purchase of workmen's compensation insurance from mutual carriers applies on negotiated or cost-plus-a-fixed-fee contracts. Where there is open bidding it is no concern of the government's where the low bidder buys his insurance as long as it is in strong companies.

In the construction of cantonments and the like the government has refused to pay any attention to the fact that payment of a dividend by a mutual carrier cannot legally be guaranteed. When stock company spokesmen try to make this point the government's reply is to brush it aside with the contention that the mutuals' dividend records constitute a satisfactory substitute for an actual guaranty.

On the other hand if the stock carriers were to try to quote rates off-manual in regulated states they could hardly hope to encounter any such light-hearted attitude toward legal requirements on the part of the state officials.

Must Take All Discounts

What gives the big mutuals their edge is that a clause in the general contracts for construction projects specifies that the contractor shall take advantage of any rebate discount, trade allowance or cash discount. The army has held that this clause applies to the purchase of insurance. A substantial premium volume is involved. The workmen's com-

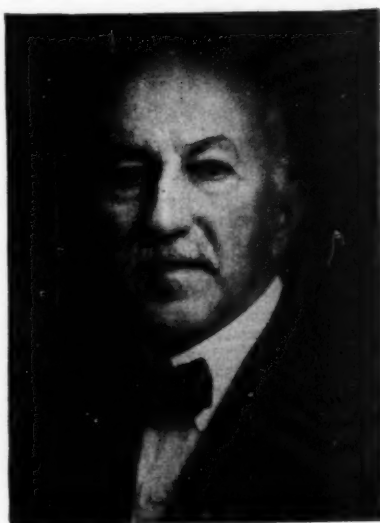
(CONTINUED ON PAGE 39)

Suretyship Loses Great Leader

Death Removes E. C. Lunt, Keen Executive and Renowned Commentator

NEW YORK—The death of E. C. Lunt, vice-president of Great American Indemnity, at his home in Rahway, N. J., Monday removes from the field one of the most highly regarded figures in the surety business and a man who had made an indelible impression on that business. He was 77.

Mr. Lunt left his office one day early in November, complaining of feeling ill. He said that he would see his doctor,



E. C. LUNT

and would return within a day or two, but he never came back. A complication of troubles confined him first to his home and later for a time to the Rahway hospital. All officers of Great American Indemnity as well as many other surety company executives attended the funeral service at Mr. Lunt's late home Wednesday.

Dean of the surety underwriters of the country, Mr. Lunt was one of the most esteemed. His mastery of his subject, keen facility for expression as a writer and a public speaker, his sense of subtle humor and willingness at all times to aid those seeking his counsel endeared him to the business to a degree such as few men have enjoyed.

He had no hobbies outside literature, particularly the classics, of which he was a constant and intelligent student.

Hale Anderson, vice-president of Fidelity & Casualty, and G. A. Petersen, secretary Great American Indemnity, are among the present prominent surety men who were trained under Mr. Lunt.

A native of Massachusetts, Mr. Lunt was educated at Harvard. He first won acclaim as a surety expert during his career with Fidelity & Casualty, where he was head of the bonding department and later vice-president, from 1901 to 1922. During those years, countless bonding forms were introduced and de-

Test Reciprocal in D. of C. Court

Judge Holds Subscriber Liable for Debts of Exchange—Millions Involved

WASHINGTON, D. C.—Paving the way for the collection of possibly several million dollars, Municipal Judge Raedy of the D. of C. held the purchaser of an insurance policy from a reciprocal insurance exchange is liable for the debts of the issuing exchange.

The decision was rendered in a test case brought by R. P. Dunn, attorney for Commissioner Taggart of Pennsylvania, seeking to liquidate affairs of Keystone Indemnity Exchange, a Philadelphia concern organized under the Pennsylvania law permitting the reciprocal exchange of interinsurance contracts, other than life.

Suit for Extra Annual Premium

The suit was based on a law provision that persons comprising such exchanges must provide indemnity "among themselves for any loss which may be insured against under any provision of the insurance laws," and sought to recover an assessment of \$69.93 against a District of Columbia resident who held a Keystone policy, the amount being equal to one annual premium on the policy, under another provision for such an assessment to liquidate liabilities in the event an exchange becomes insolvent.

Indications are that a large number of similar suits will be brought against District of Columbia residents and former policyholders in other jurisdictions on the basis of the court's decision, which in effect held that provisions of the Pennsylvania statute are applicable outside the commissioner's jurisdiction.

Notes Many Assessments Uncollectible

Passing on the matter last March, the Pennsylvania supreme court ruled that even though the maximum liability of the subscribers or policyholders of the company might be far in excess of the total policy claims of an insolvent exchange, the court must take into consideration, in fixing the amount of assessment, the fact that many of these assessments will be uncollectible.

The Keystone exchange was licensed to do business in the District of Columbia from April 1, 1924, to April 30, 1933, and during that period sold a substantial number of automobile insurance policies. In May, 1933, the exchange admitted its insolvency, and the Pennsylvania commissioner was appointed its liquidator by the court. Assets amounted to \$8,000, and the commissioner has allowed policy claims totaling \$291,455. The maximum aggregate liability of policyholders is \$2,843,233.

veloped, notably bankers blanket bonds. Under Mr. Lunt, Fidelity & Casualty was one of the most progressive and aggressive of the surety carriers.

When Sun Indemnity was organized in 1922, Mr. Lunt left Fidelity & Casualty to become president of the new company. This association, however,

(CONTINUED ON LAST PAGE)

Comprehensive P.L. Policies To Be Released Monday

State Rulings Confirm Expected Date, Some Bar Complete Form

BATON ROUGE, LA.—The Louisiana Casualty & Surety Rating Commission, in two of a series of bulletins issued last week, approved the comprehensive general liability and comprehensive automobile liability policies of the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance, together with the rate schedule, for use in this state effective Jan. 20. This action confirms the general belief that these contracts will be released in all but a few states next Monday, although the bureaus as yet have made no official announcement and the forms themselves have not been released.

The Louisiana bulletins, over the signature of Chairman E. A. Conway, stated that new manual pages should be in the hands of agents not later than Jan. 20.

Combined Form Disapproved

Three forms were filed in Louisiana, the comprehensive automobile liability policy, comprehensive general liability policy and the combined comprehensive form, which covers automobile and other liability hazards under one insuring clause. The first two were approved, but the combined form was not. Thus, in Louisiana, it will be necessary to issue two policies to give an assured complete liability protection.

It is expected that this situation will prevail in a number of states. The Illinois department, for example, has consistently declined to approve comprehensive liability policies of non-bureau carriers except with the automobile hazard excluded, and it is not believed that there will be any change in that state. On the other hand, observers expect that few, if any, states will oppose the separate comprehensive automobile liability and general liability forms.

Pacific Coast Question

Among the many items of speculation during the past two weeks has been whether the new standard forms would apply on the Pacific Coast. Comprehensive liability policies were filed and approved in these states some time ago by bureau carriers. It is commonly believed that the new forms will differ in some particulars from those in force on the coast and insurance men wonder whether these differences will stand or whether the Pacific Coast form will be replaced by the new contracts.

The Louisiana filings were made by Travelers for the National Bureau and by Liberty Mutual for the American

(CONTINUED ON PAGE 39)



Did You

IN 1940 THOUSAND
AUTOMOBILE FINANCE DEALERS
AND WROTE ALL THE



Agents of These 147 Leading Insurance Companies "Cashed In" with "The Insurance Agent's Finance Plan" in 1940

AETNA CASUALTY & SURETY CO.
AETNA INSURANCE CO.
ALBANY INSURANCE CO.
ALLIANCE INSURANCE CO.
ALLSTATE INSURANCE CO.
ALLSTATE FIRE INSURANCE CO.
AMERICAN AUTOMOBILE INSURANCE CO.
AMERICAN CASUALTY CO.
AMERICAN EAGLE FIRE INSURANCE CO.
AMERICAN EMPLOYERS ASSURANCE CO.
AMERICAN EQUITABLE ASSURANCE CO.
AMERICAN INDEMNITY CO.
AMERICAN INSURANCE CO.
AMERICAN MOTORISTS INSURANCE CO.
AMERICAN STATES INSURANCE CO.
AUTO OWNERS INSURANCE CO.
AUTOMOBILE INS. CO. OF HARTFORD
BANKERS & SHIPPERS INS. CO. OF N. Y.
BEACON MUTUAL INDEMNITY CO.
BUCKEYE UNION CASUALTY CO.
BUFFALO INSURANCE CO.
CAMDEN FIRE INSURANCE ASSOCIATION
CELINA MUTUAL CASUALTY CO.
CENTRAL SURETY & INSURANCE CORP.
COLUMBIA CASUALTY CO.
COLUMBIA FIRE INSURANCE CO.
COLUMBIA INSURANCE CO.
COMMERCIAL CASUALTY INSURANCE CO.
COMMERCIAL STANDARD INSURANCE CO.
COMMERCIAL UNION FIRE INS. CO. OF N. Y.
CONCORDIA FIRE INSURANCE CO.
CONSOLIDATED UNDERWRITERS
CONTINENTAL CASUALTY CO.
CONTINENTAL INSURANCE CO. OF N. Y.
DUBUQUE FIRE & MARINE INS. CO.
ECONOMY AUTOMOBILE INSURANCE CO.
EMMCO INSURANCE CO.
EMPLOYERS FIRE INSURANCE CO.
EMPLOYERS MUTUAL LIABILITY INSURANCE CO. OF WISCONSIN
EQUITABLE FIRE & MARINE INSURANCE CO. OF PROVIDENCE, R. I.
FARM BUREAU MUTUAL AUTOMOBILE INS. CO. OF COLUMBUS, OHIO
FARMERS MUTUAL LIABILITY INS. CO.
FEDERAL INSURANCE CO.
FIDELITY & CASUALTY CO. OF NEW YORK
FIDELITY & GUARANTY FIRE CORP.
FIDELITY MUTUAL FIRE INSURANCE CO.
FIDELITY-PHENIX FIRE INSURANCE CO.
FIREMEN'S INSURANCE CO.
FULTON FIRE INSURANCE CO.
GENERAL ACCIDENT FIRE & LIFE ASSURANCE CORP.

GENERAL INSURANCE CO. OF AMERICA
GIRARD FIRE & MARINE INSURANCE CO.
GLENS FALLS INSURANCE CO.
GLOBE & REPUBLIC INS. CO. OF AMERICA
GLOBE & RUTGERS FIRE INSURANCE CO.
GRAIN DEALERS NATIONAL MUTUAL FIRE INSURANCE CO.
GREAT AMERICAN INSURANCE CO.
GREAT LAKES CASUALTY CO.
GREAT NORTHERN INSURANCE CO.
GULF INSURANCE CO.
HANOVER FIRE INSURANCE CO.
HARTFORD ACCIDENT & INDEMNITY INSURANCE CO.
HARTFORD FIRE INSURANCE CO.
HOLYOKE MUTUAL FIRE INSURANCE CO.
HOME INDEMNITY CO.
HOME INSURANCE CO.
HOOSIER CASUALTY CO.
ILLINOIS NATIONAL CASUALTY CO.
INDIANA INSURANCE CO.
INDIANA LUMBERMENS MUTUAL INS. CO.
INSURANCE CO. OF NORTH AMERICA
INSURANCE CO. OF STATE OF PENNA.
KEYSTONE UNDERWRITERS
LIBERTY MUTUAL INSURANCE CO.
LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD.
LONDON ASSURANCE CORP.
LONDON & LANCASHIRE INS. CO., LTD.
MANUFACTURERS CASUALTY INS. CO.
MARYLAND CASUALTY CO.
MERCER CASUALTY CO.
MERCHANTS INDEMNITY CORP. OF N. Y.
METROPOLITAN ASSUR. UNDERWRITERS
METROPOLITAN CASUALTY INS. CO.
MICHIGAN MUTUAL LIABILITY CO.
MILWAUKEE AUTOMOBILE INS. CO., LTD.
MILWAUKEE MECHANICS INS. CO.
MOTOR VEHICLE CASUALTY CO.
NATIONAL BEN FRANKLIN FIRE INS. CO.
NATIONAL FIRE INS. CO. OF HARTFORD
NATIONAL RESERVE INSURANCE CO.
NATIONAL UNION FIRE INSURANCE CO.
NEW AMSTERDAM CASUALTY CO.
NEW CENTURY CASUALTY CO.
NEW HAMPSHIRE FIRE INSURANCE CO.
NEW YORK FIRE INSURANCE CO.
NEW YORK UNDERWRITERS
NEWARK FIRE INSURANCE CO.
NIAGARA FIRE INSURANCE CO.
NORTH AMERICAN ACCIDENT INS. CO.
NORTH BRITISH & MERCANTILE INSURANCE CO., LTD.

NORTH RIVER INSURANCE CO. OF N. Y.
NORTHERN INSURANCE CO.
NORTHWESTERN NATIONAL INS. CO.
OCEAN ACCIDENT & GUARANTEE CORP. LTD.
OHIO CASUALTY INSURANCE CO.
OHIO FARMERS INDEMNITY CO.
OHIO FARMERS INSURANCE CO.
OLD LINE INSURANCE CO.
ORIENT INSURANCE CO.
PACIFIC NATIONAL FIRE INSURANCE CO.
PATRIOTIC INSURANCE CO. OF AMERICA
PENNSYLVANIA CASUALTY CO.
PHOENIX INSURANCE CO.
PIEDMONT FIRE INSURANCE CO.
POTOMAC INSURANCE CO.
PREFERRED AUTOMOBILE INS. CO.
PROVIDENCE WASHINGTON INS. CO.
QUAKER CITY FIRE & MARINE INS. CO.
QUEEN INSURANCE CO. OF AMERICA
REPUBLIC MUTUAL FIRE INSURANCE CO.
RESERVE UNDERWRITERS OF DUBUQUE, IOWA
RESOLUTE FIRE INSURANCE CO. (RESOLUTE UNDERWRITERS)
RHODE ISLAND INSURANCE CO.
ROYAL INDEMNITY CO.
ST. PAUL FIRE & MARINE INS. CO.
ST. PAUL-MERCURY & INDEMNITY CO.
SECURITY INSURANCE CO.
SHELBY MUTUAL PLATE GLASS & CASUALTY INSURANCE CO.
STANDARD ACCIDENT INSURANCE CO.
STATE AUTOMOBILE INSURANCE ASSN.
STATE FARM MUTUAL INSURANCE CO.
SUBURBAN INSURANCE CO.
TRANSCONTINENTAL INSURANCE CO.
TRANSPORTATION INSURANCE CO.
TRAVELERS INSURANCE CO.
TRINITY UNIVERSAL INSURANCE CO.
UNION AUTOMOBILE INDEMNITY ASSN.
UNION INSURANCE CO.
UNITED STATE FIDELITY & GUARANTY CO.
UNITED STATE FIRE INSURANCE CO.
UTILITIES INSURANCE CO. OF ST. LOUIS
WASHINGTON ASSURANCE CORP. OF N. Y.
WESTCHESTER FIRE INS. CO. OF N. Y.
WESTERN CASUALTY & SURETY CO.
WESTERN FIRE INSURANCE CO.
WOLVERINE INSURANCE CO.
ZURICH FIRE INSURANCE CO. OF N. Y.

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1. Our staff of thoroughly trained field men is at your service day or night. These finance experts are always as near to you as your telephone . . . to answer questions or help you close a "deal".
2. Our offices in Indianapolis, Cleveland, Columbus, Lansing and Springfield (Ill.) are equipped to give you every assistance—24 hours a day—seven days a week.

1940

INCREASING NUMBER OF LEADING INSURANCE COMPANIES REPRESENTED

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THOUSANDS OF AGENTS HANDLED OVER \$2,000,000.00 IN
FINANCE DEALS THROUGH "THE INSURANCE AGENT'S FINANCE PLAN"
ALL THE INSURANCE THEMSELVES! Did YOU get your share?

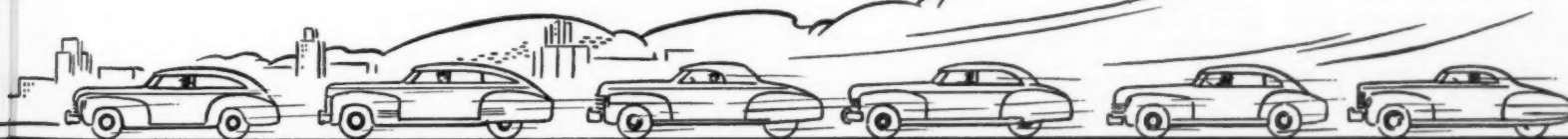
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trained ce day ts are r tele- ons or 4. Our thorough training plan includes a talking picture which explains proper finance procedure in detail. We have made it as easy to finance a car as it is to write a policy.

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VOLUME BY FINANCING
AUTOMOBILES FOR YOUR
CLIENTS...THIS SIMPLE
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Sawyer Describes Comprehensive 3-D Form to Buyers

NEW YORK—Since its introduction last summer, about 450 risks have been rated for the comprehensive dishonesty, destruction and disappearance policy, L. A. Sawyer, manager burglary division National Bureau of Casualty & Surety Underwriters, told the Risk Research Institute at its meeting here.

After reviewing the five insuring clauses of the policy, Mr. Sawyer said that no one claims it is the last word, but that it is a notable step forward and marks the first time non-financial assured can obtain coverage comparable to that under bankers blanket bonds. He said that undoubtedly changes will be made as experience indicates and already there is sentiment for extending it to smaller risks.

The "comprehensive 3-D" policy differs from a bankers blanket bond, Mr. Sawyer said, in that it does not cover all hazards in one blanket amount, but provides separately amounts of insurance under each of the five sections. All are optional with the assured except the fidelity section, and a minimum of \$25,000 must be carried under this section. The policy is intended for larger risks, hence this requirement, although it is possible that the minimum amount may be reduced in the future.

The other sections cover against loss of money and securities within the premises, including loss of valuable papers; loss of money and securities outside the premises; loss of securities from safe deposit boxes; and loss from forgery and alteration of outgoing instruments. Mr. Sawyer said that any differences in wording from the separate contracts covering hazards included in the new form were because of a desire for uniformity in phrasing the different sections or because some of the older contracts did not express the intent of the companies accurately.

While the "comprehensive 3-D" policy replaces burglary and robbery policies in many cases, Mr. Sawyer pointed out that the new form covers many losses outside the scope of these forms. The assured need not prove that a burglary or robbery in its technical sense has occurred to collect a loss. Mere disappearance is covered. A messenger, for example, may have his pockets picked, or he may carelessly set his satchel down while at lunch and a thief run off with it. These losses are covered by the new form. Likewise, damage to the premises caused by attempted burglary is covered under the comprehensive policy, even though the felons may not try to break into the safe at all. A safe burglary policy would not cover this loss.

While fidelity coverage is mandatory, Mr. Sawyer said that an assured who prefers the language of the blanket fidelity bond may satisfy the requirements by carrying all or part of his fidelity insurance under this form.

Hoey, Ellison Petition Denied

NEW YORK—Hoey, Ellison & Frost of New York, which recently took on the general agency of Fidelity & Casualty replacing Massachusetts Bonding has been denied by the supreme court a petition pendente lite to restrain Massachusetts Bonding from soliciting the business from brokers which they had been placing with Hoey, Ellison & Frost. However the court said it would expedite a trial of the issues if the agency desires.

Fireman's Fund Ind. Roundup

Field men in the western department of Fireman's Fund Indemnity are in Chicago this week for conferences with Manager John Pabst and three executives from New York, they being Vice-president R. V. Goodwin and Assistant Secretaries H. E. Noblock and W. A. Walker.

Iowa Casualty Leader Extends Interests to Ill.

George Olmsted, vice-president of Hawkeye Casualty of Des Moines and the controlling factor in that company, has now extended his influence in the casualty business as head of a group that has purchased control of Illinois Casualty of Springfield.



George Olmsted

The two companies will be operated independently and Illinois Casualty's head office will remain in Springfield.

Mr. Olmsted was born in Des Moines in 1901 and graduated from West Point in 1922. He served in the regular army two years and then organized a local agency in Des Moines, known as Olmsted, Inc., with his brother and father. In 1926, he left the local agency and organized a statewide general agency representing Ohio Casualty, Trinity Universal, Corroon & Reynolds and Meserole companies.

Travelers Mutual Casualty

In 1932, Mr. Olmsted sold that general agency and invested the proceeds in Travelers Mutual Casualty which was at that time a small local company. It was one of the early companies in the truck insurance business and went through an unprofitable period, but by 1936 it was showing a favorable loss ratio. In 1937, he purchased control of United Automobile of Grand Rapids, Mich., and in 1938, he purchased control of Hawkeye Casualty.

In 1939, Hawkeye Casualty took over the business of United Auto and last year it took over the business of Travelers Mutual. The acquisition of Illinois Casualty gives Mr. Olmsted an expansion of his operations into Illinois.

Preliminary year end figures show Hawkeye Casualty with assets exceeding \$1,250,000, premium writings of just less than \$1,000,000, capital \$300,000 and net surplus \$200,000.

Mr. Olmsted has been prominent in public affairs. He was active in the development of the Junior Chamber of Commerce movement throughout the country and served as its national president in 1931 and 1932. He organized the Young Republican movement in the country and was its national chairman from 1932 to 1936. He has served as Republican county chairman for his county and is now a member of the Republican state central committee for Iowa. His chief interests are in Mrs. Olmsted and his two sons and daughter.

Chicago Cost Council to Set Effective Dates Soon

Effective dates for the Chicago casualty, surety and fidelity acquisition cost rules and regulations, which have just been approved, probably will not be made known until the governing committee has taken action and this has been approved at the forthcoming annual meeting of the Cook County Acquisition Cost Council. This meeting was to have been held Tuesday, but was postponed indefinitely subject to call by George E. Turner, the acquisition cost administrator in Cook county.

The delay arose over inability to get the whole matter in form for presentation following approval of the rules in the east a few days ago by the national casualty and surety acquisition cost conferences. It is probable the meeting will be held in about a week.

Plural Birth Insurance

National Lloyds of Baltimore announces that it will write so-called twin insurance. For a premium of \$15, National Lloyds will pay \$500 in the event of a plural birth and for a premium of \$25 it will pay \$1,000.

Review Association, Managers' Problems in Indianapolis

INDIANAPOLIS — Most important day of the National Accident & Health Association mid-winter meeting in Indianapolis, Jan. 28-30, from the standpoint of managers, general agents and home office men of associate member companies, will be Thursday, Jan. 30, the closing day.

At the morning session, the theme will be "The National Association in Action." The program includes an opening address by W. B. Cornett, Loyal Protective Life, Columbus, O., chairman executive committee; president's address, E. H. Ferguson, Great Northern Life, Chicago; "Facts for Six Months," E. C. Budlong, Chicago, executive secretary-treasurer National association; "The Story of Associate Members and Delegate Representation," Clyde E. Dalrymple, Preferred Accident, Milwaukee, first vice-president; "Public Relations in Action," Fred M. Walters, General Accident, Philadelphia, chairman public relations committee; report of committee on membership, C. A. Sholl, Globe Casualty, Columbus, secretary National association; "Progress of Committee on Education," Mansur B. Oakes, Indianapolis.

Dalrymple Conducts Symposium

A symposium on local association problems will be conducted by Mr. Dalrymple. Speakers and topics will be: "Our Association Pays Dividends by Doing the Unexpected," Don E. Compton, president Chicago association; "How Our Association Helps to Increase Accident and Health Production," Homer Bisch, Toledo; "How We Finance Association Activities," Earl E. Gangewere, president Pittsburgh association; "We Can Make Our Association of Greater Value to All," E. F. Gregory, president Denver association; "Our Association Is Reaching Producers," F. Glenn Packwood, Kansas City; "Bulletins Are Valuable," E. G. Malone, president Milwaukee association; "Making the Citizens of Your Town Aware of the Local Accident & Health Association and of Its National Affiliation," George L. Dyer, Jr., St. Louis.

Managers' Session in Afternoon

The afternoon session in charge of Homer Bisch, National Casualty, Toledo, third vice-president of the National association, will develop under the theme, "Paving the Road for the Agent." Mr. Walters will explain how a definite public relations program puts money in the manager's and his agents' pockets. Education of the agent will be discussed by A. C. Palmer, R. & R. Service. What the manager and company can do for agents by use of advertising will be told by H. P. Skoglund, president North American Life & Casualty, Minneapolis.

At the open house the evening of Jan. 28, in addition to general festive activities honoring past presidents of the National association, moving pictures of Indiana-Northwestern football game will be shown. A football coach from Indiana University will be on hand to explain every play—why it did or didn't click, to run the play over again or stop the picture so that what happened may be clearly seen.

Greathouse Replaces Williams

Gerald W. Greathouse, chief raters and actuary of the casualty division of the board of commissioners of Texas, will represent the casualty department and speak at the casualty and surety meetings of the Texas Association of Insurance Agents at Dallas Jan. 20, and at Houston Jan. 21. Reuben Williams, who was scheduled to make the talk when he was casualty insurance commissioner, has been made life commissioner and chairman of the board of commissioners of Texas.

Retired Chattanooga, Tenn., Executive Is Dead



JOHN W. BLEVINS

John W. Blevins, retired Chattanooga, Tenn., company executive, died from a heart ailment in Atlanta at the home of his son, Boyd J. Blevins, southern superintendent of the Equitable Society. He had been in failing health for some time. Mr. Blevins went to Chattanooga in 1902 and joined the staff of the Volunteer State Life. After several years, he became associated with the Interstate Life & Accident as vice-president in charge of its accident and health department. He was quite active in the Health & Accident Underwriters Conference at one time. He retired from active business in 1936.

F. & C. Executives in Midst of Rallies

A group of head office executives of Fidelity & Casualty is in the midst of a series of conferences with branch managers and field personnel. The meetings are so arranged that the head office group by the middle of February will have been in touch with every field man throughout the country.

Conferences were held at the Blackstone Hotel, Chicago, the fore part of this week for representatives of the branch offices at Minneapolis, Milwaukee, Louisville, St. Louis and a few from Dallas. The first meeting was held in New York commencing Jan. 2. Then there was a meeting in Cleveland last week for the field representatives from Cleveland, Pittsburgh, Buffalo, and Detroit. Secretary Frank E. O'Brien went on from Chicago to San Francisco for a meeting there Friday and Saturday and Vice-president M. J. O'Brien and a large contingent will conduct a session in Atlanta commencing Jan. 28. There will be a gathering in Dallas in February.

Those from the head office attending the Chicago meeting included the two O'Briens, Ray Caverly, vice-president in charge of claims; H. K. Remington, secretary in charge of casualty underwriting; John Brodsky, secretary in charge of bond underwriting; Walter LeMunyon, manager of the survey department; E. H. Luecke, bond production manager, and J. R. O'Malley, in charge of casualty production.

Fidelity & Casualty had an excellent year in 1940 and the management is looking forward to a record breaking performance this year. Special emphasis is being placed upon the production of commercial blanket bonds.

Use automobile quotation blanks to increase premiums. Write Reprint Department, National Underwriter, for samples.

John Hancock in New Chicago Move

W. M. Houze and Conkling, Price & Webb Form Combination

Conkling, Price & Webb of Chicago announce their affiliation with the William M. Houze general agency as direct representatives of John Hancock Mutual Life. Mr. Houze has been associated with John Hancock for 37 years, having built two successful agencies before going to Chicago 16 years ago. He has built one of the outstanding agencies in the city, and one of the leading agencies in John Hancock. He is president of the Chicago Association of Life Underwriters.

For the past year John Hancock has been favored by Conkling, Price & Webb in its life insurance placements. C. P. & W. will hold a meeting Monday for its office and outside brokers, which will be addressed by Mr. Houze.

Fred Corby in Charge

Fred T. Corby, who has been manager of the accident and health department of C. P. & W., will also manage the new life department. Mr. Corby is a graduate of Hamilton College and received his insurance training in New York. This department also will be under the supervision of William M. Houze, Jr., who will coordinate the experience and ability of the two offices. Mr. Houze, Jr., has been a leading personal producer for the Houze agency, as well as having several years experience assisting brokers.

For 48 years Conkling, Price & Webb have been one of the leading casualty and surety organizations in the country. Continuously and exclusively representing London Guarantee, for casualty insurance during this entire period, the firm has developed production in Illinois and the lake counties of Indiana. Conkling, Price & Webb developed the business of London Guarantee to such an extent in this territory that the latter felt justified in erecting the London Guarantee building on Michigan avenue and Wacker drive in Chicago. Conkling, Price & Webb also maintain an office in the London Guarantee building.

C. P. & W. have been highly successful in helping brokers with a plan of securing compensation and automobile liability new business against mutual casualty competition.

F. & D. General Agents

For 33 years C. P. & W. have represented, as general agents, Fidelity & Deposit. William G. Kress is present surety manager, and Alex P. Clark, Jr., assistant surety manager.

The partners are Lew H. Webb, Lawrence W. Zonsius and William T. Cline. Lew H. Webb is vice-president of the National Association of Casualty & Surety Agents and trustee of George Williams College. Mr. Zonsius, long identified with C. P. & W., has originated some special coverages for manufacturers and contractors. Mr. Cline, a large individual producer, is a graduate of the University of Pennsylvania and a member of the Illinois bar. He likewise acts as general agent for the credit insurance department of London Guarantee.

Other important members of the organization are Kyle E. Simpson, Illinois state agent; Walter E. Quinby, manager sales production; Harold W. Giff, chief underwriter; L. J. Carpenter, office manager; W. C. Wigand, comptroller. The office is well-staffed with several junior underwriters, as follows: V. E. Mitchell, C. M. Crane, E. McGowan, E. Brink and James Pease.

This is the second important development of John Hancock in Chicago in recent weeks, the first having been the appointment of Moore, Case, Lyman & Hubbard as general agents.

Distinctive Honor at 50-Year Mark



Arthur Koppelman, doing business as Lawford & McKim, for 50 years general agents for Employers Liability in Baltimore, was presented an antique silver fruit basket in commemoration of the firm's 50th anniversary. The presentation was made by Ellsworth C. Knight, resident manager Maryland-Virginia department, in behalf of Edward C. Stone, U. S. general manager and attorney for Employers, in the presence of a few of Mr. Koppelman's business associates of Baltimore.

Arthur Koppelman was with Lawford & McKim 50 years ago when they were appointed general agents for Employers.

His many years of contact with the executive offices of Employers have won him the respect and friendship of hundreds of insurance officials. The anniversary gift, which is more than 175 years old, was made by Edward Aldrich of London, one of the leading silversmiths of his time, who wrought several pieces for King George III.

At the presentation are shown left to right—O. P. Peters, supervisor engineering department; Fred Small, state agent Employers Fire; Arthur Koppelman; John Filler, superintendent of claims; Ellsworth C. Knight, resident manager; Daniel Heisey, underwriter.

Mutual Information Bureau, Claims Bureau to Collaborate

The Mutual Information Bureau and the Claims Bureau of the Association of Casualty & Surety Executives have reached an agreement whereby they will collaborate in the exchange of information. For some time both groups, which are operated for the purpose of accumulating and distributing information among their subscribers, have been working toward this end so that their members may receive the benefits of a nationwide working unit.

The Mutual Information Bureau since its inception has always been an independent group covering the Chicago territory. About two years ago, however, it extended out to where it now covers Illinois, north of Springfield, plus Iowa and Wisconsin. The claims bureau of the association has established offices which cover the rest of the country. With the new agreement of exchange, members of both organizations will have the benefits of the information collected by the other.

The Mutual Information Bureau will install a modern indexing system which will simplify and add to the efficiency of the office. Although it will involve an expenditure of about \$12,000, it is hoped that it will bring about a reduction of membership fees and increase the membership of the bureau. All deleted and aged material will be discarded.

New Hospital Expense Policy

A new hospital expense policy, providing 30 days' coverage at full rate plus 90 days' additional at half rate for each claim, is released by the accident department of Security Mutual Life of Binghamton.

Developed by Edward A. Hauschild, head of the accident department, the new policy is released on the first anniversary of the company's entrance in to the accident and health field.

Available individually to men and

Auto Assigned Risk Plan Is Set Up in Washington

SEATTLE—Under a scheme adopted by Commissioner Sullivan an assigned risk plan for handling certificated risks under the financial responsibility law of Washington is now in existence.

Under the new arrangement, motorists can apply for insurance to a committee of insurance company representatives which will investigate the applicant and assign him to a company which will write the policy if he is eligible. The applicant may also apply through his regular agent. The policies will be written with a surcharge. About 3,800 licenses are now suspended or revoked in Washington.

"Itinerant Merchant" Requirements

OKLAHOMA CITY—A bill was presented in the Oklahoma legislature to require itinerant merchants to carry motor vehicle liability and property damage insurance and bonds conditioned to pay all taxes imposed by law.

women, and to children if the provider is covered, the policy offers indemnities covering operating room, X-ray, hospital room and board, and identification.

Maternity benefits are included after a 10-months' period if both husband and wife own policies.

Benefits are paid direct to the policyholder, allowing complete freedom of choice among hospitals in United States or Canada.

Gontrum to Be Toastmaster

Commissioner Gontrum of Maryland will be toastmaster at the banquet of the Baltimore Insurance Day gathering at the Southern Hotel Feb. 8.

Increase your business during Accident & Health Week. Write your company for promotional material.

Liquor Liability Rates Are Up 25%

London Lloyds Adjusts Premiums to Increasing Loss Ratio in Illinois

London Lloyds has increased its basic rates for liquor liability insurance in Illinois 25 percent due to the increasing number and severity of claims filed under the so-called dram shop act of that state. The changes are effective Jan. 20 on new business and March 1 on renewals of present Lloyds business.

The premium for covering the interests of both the owner and licensee in one certificate has been reduced from 150 percent to 140 percent of the premium for covering only one interest.

Discount Is Continued

The 20 percent discount which has been allowed by London Lloyds agents in "meritorious cases," such as select and so-called "association" risks, is continued. The announcement made Tuesday by John S. Lord, attorney-in-fact in Illinois of London Lloyds, states, "where this discount is allowed, the premium for insuring only the owner or only the licensee will be the same as the present basic premium for covering one interest and the premium for covering both the interests of owner and licensee will be less than the present basic premium for insurance of both interests."

The rate advance applies for the full 25 percent to policies covering only one interest, but amounts to only a little more than 16 percent on contracts covering both owner and licensee of the property where the liquor is sold.

This is the first adjustment in liquor liability rates in Illinois that London Lloyds has made since it started to write the business in 1934. It was explained this week by London Lloyds agents that the underwriters in 1934 had no experience under such an act on which to go and used judgment rates.

For a number of years the business proved highly profitable but in the last two years or more many attorneys throughout Illinois and also many citizens who had an excuse for filing claims under the liquor act have become aware of the drastic nature of this law relating to owners of properties on which liquor is sold and proprietors of the liquor establishments. The heaviest liability was found to be incurred under the "loss of means of support" provision. Some claims have been filed for \$100,000 to \$200,000 and there have been a number of large judgments.

The increase is considered drastic and is a measure of the growth in popularity of such claims. However, it was explained much of the increased cost that must be met comes from legal expense in contesting claims which London Lloyds considers are improper. The policy from the first has been to avoid establishing a nuisance value of such claims by compromising them for some nominal sum.

Discuss Cost Pact for N. J.

D. C. Griffiths of the casualty acquisition cost conference, in addressing a luncheon meeting of the Casualty Underwriters Association of New Jersey in Newark, said there is a possibility that an agreement on costs may be worked out for New Jersey comparable to the recently completed agreement for Chicago and Cook county.

President J. C. Eastmead appointed E. C. Graff as chairman of the legislative committee and John H. Nolan as chairman of the program committee. He also appointed a special committee to confer on casualty matters with a similar committee of the New Jersey Association of Underwriters.

CHANGES IN CASUALTY FIELD

Western Casualty & Surety Makes Several Promotions

KANSAS CITY—Ray B. Duboc, president of the Western Casualty & Surety and the Western Fire, has announced several promotions. W. P. Sweet has been made vice-president in charge of the claims department. W. L. Gench has been named assistant secretary in charge of the automobile department; E. H. Morrison, assistant secretary in charge of workmen's compensation and liability department, and J. R. MacLennan, assistant secretary in charge of burglary and plate glass. The three new assistant secretaries started out in the business with the Western Casualty & Surety. All have been in the departments in which their promotions came.

In the Western Fire C. C. Otto has been made assistant secretary in charge of the underwriting department.

These new appointments are in addition to the present staff.

Western Surety, S. D., Opens Chicago Branch Office

A Chicago branch office has been opened by Western Surety of Sioux Falls, S. D., in A-1838 Insurance Exchange building, with M. H. Trepkow, vice-president, stationed there to direct its development for a considerable time. Mr. Trepkow has been in charge of agencies at the home office for a number of years.

E. Dannhauser and Walter W. Steiner are special representatives with headquarters in the branch. Mr. Steiner is a well known Chicago surety man and former manager; Mr. Dannhauser has been with Western Surety for 10 years, formerly having traveled Illinois territory.

Mr. Trepkow has been with the company 16 years, having been secretary in 1927-1933 and vice-president since then. This company writes exclusively fidelity and surety at non-conference rates. A complete home office service will be maintained in Chicago.

McCreight Is Promoted in New York, Two Transferred

Cyril K. McCreight, casualty field assistant of the 55 John street, New York City branch of the Travelers, has been promoted to assistant manager casualty lines of the 42nd street office, with headquarters in the Empire State building.

W. T. L. Davies, assistant fidelity and surety manager at Milwaukee of the Travelers Indemnity, is being transferred to Washington, D. C., in the same capacity. L. O. Chancellor, fidelity and surety field assistant of the Boston branch, has been promoted to assistant manager at Worcester, Mass.

St. Louis Branch Opened

DETROIT—The Michigan Mutual Liability and its new affiliate, Associated General Fire, have opened a branch office in the Shell building, St. Louis, with Floyd E. Cook as district manager of the St. Louis compensation division and J. P. Wareham manager of the automobile division.

The St. Louis office will have facilities to handle claims, collections and accident prevention work.

Ryan to New York City

ST. PAUL—Ralph B. Ryan is to be transferred from the home office of the St. Paul-Mercury Indemnity to assist the surety and fidelity department of the New York City office. He has been with the company about five years.

W. F. Boylan, New York City manager, has returned east after a conference with home office executives.

Macdonnell in Coast Post for Employers Reinsurance

KANSAS CITY—Effective Feb. 1, James D. Macdonnell, who has been with Swett & Crawford's Seattle office for five years, goes with Employers Reinsurance as western representative, with offices in San Francisco. He succeeds T. A. Long, who has gone with Pacific Indemnity as vice-president at its home office after seven years with the Employers as resident vice-president in San Francisco.

Prior to his association with Swett & Crawford, Mr. Macdonnell spent more than four years with the Hansen & Rowland general agency in Seattle and Tacoma. He is 38, a native of Wisconsin, and a graduate of the University of Washington. He is an attorney and his insurance experience includes underwriting, inspection, auditing and claim work in casualty lines.

Opening Office in Cincinnati

CINCINNATI—American Casualty of Reading, Pa., is opening an office in the Atlas Bank building. D. J. Henry,

formerly special agent at Cleveland, is in charge of the service office, and F. R. Brown, adjuster, also formerly at Cleveland, is in charge of claims.

Saum with Standard Accident

Claude Saum has been appointed special agent in Cook county and northern Indiana for the Chicago branch office of Standard Accident. He has been the past five years special agent for Employers Liability.

Faulkner Okla. Branch Manager

W. H. Faulkner has been appointed branch manager in Oklahoma City by the Employers Casualty to succeed Rupert H. Johnson, who resigned to enter the army. Mr. Faulkner has been with the company in Dallas.

Hartford Steam Boiler Changes

R. P. Guy has been appointed chief inspector in the Hartford branch of Hartford Steam Boiler. He takes the place left vacant by the death of A. E. Bonnett. Mr. Guy heretofore has been chief inspector at Baltimore and has been with the company since 1910.

The new chief inspector at Baltimore is W. C. Nicol, who formerly held the same position at Pittsburgh. He has been with Hartford Steam Boiler since

New Uniform Casualty Short Rate Table in Louisiana

BATON ROUGE, LA.—The Louisiana Casualty & Surety Rating Commission has ordered the automobile fire and theft short rate table made applicable to automobile and general liability, burglary and plate glass insurance in this state. The bulletin announcing this action states that it is taken in conformity with the recommendation of the National Association of Insurance Commissioners for a uniform short rate table.

Companies will be permitted to use their present forms with old short rate tables, provided cancellations are made on the basis of the mandatory table.

1922 and has been chief inspector at Pittsburgh since 1937.

John Todd, formerly office engineer in New York, succeeds Mr. Nicol in Pittsburgh. He has been with Hartford Steam Boiler since 1930.

A. C. Hale and J. W. Ray have dissolved the Hale & Ray agency, Columbus, O. Both have been with the Travelers many years, Mr. Ray formerly having been Columbus manager. They will continue to write for the Travelers as individuals.

50+ Years of Service

The Preferred Accident has throughout its 56-year career built up and maintained a progressive staff of agents in all parts of the country with whom its relationship has been friendly and mutually profitable.

The cornerstone of the Preferred's success has been gradual, steady growth, the emphasis being on careful underwriting in both field and home office, and a policy of claim settlements that builds good will among policyholders.

That agents appreciate this program in its broad aspects is indicated by their long time representation of the Preferred.

Automobile Accident Burglary
Plate Glass Liability

**THE PREFERRED ACCIDENT
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Edwin B. Ackerman, President

EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG, President

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HOME OFFICE
KANSAS CITY, MISSOURI

BRANCH OFFICES
NEW YORK • CHICAGO • LOS ANGELES • SAN FRANCISCO

NEWS OF CASUALTY ASSOCIATIONS

California Adjusters Hear of Comprehensive Form

LOS ANGELES—In a discussion of comprehensive liability policy, R. G. Webb, assistant manager Swett & Crawford, told the Casualty Insurance Adjusters Association of Southern California that it is extremely important for the underwriter to get a complete picture of the assured's situation and to use care in gauging the hazard, as the application is not part of the policy declarations and hence statements in it cannot be considered warranties. This is all the more important because about 90 percent of the policies are written for three years. Contractual liability is a danger point, he said, and the practices of companies vary on this point. He also maintained that the comprehensive form is more likely to be subject to fraud than any other policy.

The form used on the Pacific Coast has only three exclusions, aircraft liability, malpractice liability and liability to employees. It covers property damage liability from automobiles, as well as bodily injury liability from any cause.

Advantage of Comprehensive

Mr. Webb listed a number of causes of loss which would be covered by the comprehensive policy but would either be excluded or not covered by individual forms. Among these were non-accidental injuries, assault, contractual liability, installation of assured's products away from the premises, accidents caused by push carts, bicycles and other vehicles away from the premises, explosives, automobiles carrying passengers for charge, hired automobiles, automobiles operated by persons under the legal age limit, automobiles used for towing trailers, use of commercial automobiles by anyone other than an employee, automobiles not specifically described and insured and freak claims from unanticipated happenings.

Mr. Webb said that a school, for example which might not close promptly during an epidemic, would be covered by the comprehensive liability policy should the court decide it was negligent or used faulty judgment, while it would not be covered under the older forms, which were restricted to "accidental" injuries.

Not Understood by Agents

The only difficulty with the policy, Mr. Webb said, is that 95 percent of the agents do not understand it and hence it should be written only by a company man who has a grasp of the line.

W. B. Cleaves, chairman legislative committee, reported on two bills expected to come before the legislature. One is concerned with accident insurance on children before or at birth and the other a hospital lien law.

Miller Heads Iowa Claim Men

DES MOINES—J. Earle Miller, Employers Mutual Casualty, has been named president of the Iowa Claim Association, succeeding L. H. Hopson, American Surety. Hal Byers, Farmers Mutual Hail, is vice-president and O. W. Inhofe, Midwestern Casualty, succeeds Mr. Miller as secretary-treasurer.

Ia. Educational Plan Told

DES MOINES—H. W. Nixon, president Des Moines Casualty and Surety Club, presented an outline of the proposed regional educational program which will be held in Iowa this spring at its luncheon.

He said the educational forums will be held in May, with six meetings planned over the state. Tentative plans are to hold three meetings the same day in different cities and on the following day another series of three meetings. Last year the six forums were scattered out over two months.

Chicago Group to Discuss New Comprehensive Form

The Casualty Underwriters Association of Chicago will hold a dinner meeting for the first time next Monday at the La Salle hotel. James C. O'Connor, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will speak on comprehensive liability insurance. E. E. Flesvig, compensation and liability manager Childs & Wood agency, is president of the club. The association has regularly held monthly luncheon meetings for many years, and the members decided to try a dinner meeting as an innovation.

Since it is expected that the new standard comprehensive automobile liability and general liability policies will be announced on Monday, officers of the association are expecting a large turnout.

Hedberg N. Y. Claim Head

Oren Hedberg, U. S. F. & G., was elected president of the New York Claim Association at the annual meeting. First vice-president is C. R. Allen, Socony-Vacuum Oil Company; second

vice-president, J. S. Draper, Liberty Mutual; treasurer, A. F. Kleiber, Ocean Accident, and secretary, L. E. Vogel, Bankers Indemnity.

Wilson to Give Four Talks

H. J. Wilson, Indiana manager Massachusetts Bonding and secretary of the Indiana Casualty & Surety Managers, will speak on "Personal Liability" at Fort Wayne, Jan. 22; South Bend, Jan. 23, Y. M. C. A.; Indianapolis, Jan. 27, Indianapolis Salvage Corps, and Evansville, Jan. 28.

Detroit Election in February

DETROIT—The annual meeting of the Detroit Adjusters Association will be held in February. The association includes company and independent adjusters, insurance attorneys and attorneys for self-insurers. Cameron Buchanan of Alexander, McCaslin & Cholette is now president; E. M. Cathro, American Mutual Liability, vice-president, and G. W. Fagerlin, New Amsterdam Casualty, secretary-treasurer.

Bjorklund Salt Lake President

SALT LAKE CITY—E. A. Bjorklund, Utah manager of U. S. F. & G., has been elected president of the Casualty & Surety Association here. He

succeeds H. O. Snow of Ed D. Smith & Sons. S. C. Fuld, Fidelity & Deposit, was named vice-president, and Leland Paxton, Eastman, Hatch & Co., secretary-treasurer. There was an informal discussion of probable legislation at the forthcoming session of the Utah legislature.

COMPANIES

Main Kemper Insurer Has \$1,788,206 Premium Gain

Lumbermen's Mutual Casualty reports that 1940 premium income was \$29,246,513.43, a gain of \$1,788,206 from 1939. In each of its 29 years Lumbermen's has made an increase in premiums. President J. S. Kemper points out that companies in 1940 had to increase substantially the number of policy holders in order to absorb rate decreases before any increase could be shown.

Mr. Kemper states that increased efforts must be made to improve conditions which caused the increased number of accidents experienced during 1940. The rush to speed production for defense means that inexperienced men are



Emmco

AGENTS GET FARTHER WITH LESS EFFORT

Using the Emmco Plan is a lot like sail-skating. You get farther—faster—with the right kind of equipment. A large number of auto insurance men have already adopted the simple, sure-fire Emmco Plan that actually produces a larger volume of business without added selling effort.

Live-wire agents all over the country are enthusiastic. Old customers and new prospects alike are easy to sell because they recognize advantages of the plan to themselves. As a result, Emmco agents are enjoying considerably increased incomes.

WRITE FOR COMPLETE DETAILS

Full information on Emmco's amazing business-getting, business-holding plan will be sent you at once without the slightest obligation. Write today for the interesting facts on how you can easily increase your income.

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 OPERATING ON THE AMERICAN AGENCY PLAN

E. M. MORRIS
PRESIDENT

T. F. SHORTALL
AGENCY SUPERINTENDENT



KARL BRECHT
SECRETARY

C. L. SCRANTON
MGR. UNDERWRITING DEPT.

working with machinery. In addition, the boom has brought many additional workmen into some cities, greatly increasing the number of cars on their streets. And, the additional income means that these cars will be driven more than has been normal in recent years.

Ohio Farmers Indemnity Is Entering Cal. and Ill.

J. W. McKeown, manager of the automobile and casualty departments at the home office of Ohio Farmers, is now in California preparing to get Ohio Farmers Indemnity started in that state. Application for admission to California has been completed. The parent company has a Pacific Coast department in Los Angeles, Spear & Co. and this general agency will also represent Ohio Farmers Indemnity. Mr. McKeown expects to be on the coast about 30 days and to return by way of Vancouver.

Ohio Farmers Indemnity is also taking steps to enter Illinois.

Assessment Ordered by Court

An assessment on policyholders of Lincoln Mutual Indemnity of Mansfield, O., of one annual premium on all policies that were in force within one year of date of liquidation has been ordered by the common pleas court of Franklin county.

Ohio Casualty Pays Extra

Ohio Casualty in addition to the regular semi-annual dividend of 50 cents has declared an extra of 20 cents, both payable Feb. 1, to stock of record Jan. 21. In 1940, Ohio Casualty paid a \$1 regular dividend and 15 cents extra.

Preferred Security Lloyds, Tex.—Assets, \$107,393; inc., \$42,393; unearned prem., \$32,727; loss res., \$1,432; guaranty fund, \$60,000; surplus, \$10,870; inc., \$5,870. Experience:

	Net Prems.	Losses Pd.
Auto collision	\$ 34,455	\$ 3,038
Other Auto.	24,548	2,532
Total	\$ 59,003	\$ 5,570

COMPENSATION

Monopolistic Bill in Kansas

Those following legislative affairs have learned that a bill for a monopolistic compensation state fund is being introduced in Kansas.

Fight Ind. State Fund Move

INDIANAPOLIS — Already workmen's compensation is a live issue in the Indiana legislature. A luncheon meeting was held Monday by the workmen's compensation committee of the Indiana State Chamber of Commerce, to hear reports on the present status of the effort that will be made for legislation

WANTED

Automobile underwriter acquainted with Chicago territory. Should be familiar with other casualty lines. Address M-63, National Underwriter, 175 W. Jackson Blvd., Chicago.

WANTED

CASUALTY AND SURETY SPECIAL AGENT For northern Illinois by Chicago branch office of bureau casualty and surety company. Must be familiar with Illinois territory. In reply give age, experience, references, etc. Address M-64, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED SPECIAL AGENT

Bureau casualty and surety company has opening in Indiana for special representative. Applicant must have following in state. In response give complete information as to experience, age, qualifications, etc. Address M-65, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

along this line. Organized labor groups are definitely committed to a legislative program which includes: Creation of a state fund either to replace private insurance carriers or to compete with them; increase in benefits paid to workers in cases of injuries or death; provision for a "public counselor" to represent workers in prosecuting compensation claims.

The state chamber of commerce committee has elected to act as a spearhead of opposition to any state insurance plans.

Accident & Health Week comes March 24-29. Stage a drive.

Aetna Casualty to Hold Conference

HARTFORD—Aetna Casualty will hold an underwriting conference of branch office department superintendents at the home office Feb. 10-14, under Vice-President R. I. Catlin. The various lines will be discussed by the home office department heads during the five day session.

In addition to Mr. Catlin, the principal speakers will be Vice-Presidents

C. B. Morcom and C. G. Hollowell. Other speakers and discussion leaders will be F. E. Barber, secretary; W. J. O'Donnell, secretary; Logan Bidle, secretary; A. E. Redding, field supervisor; H. T. Knudsen, manager special risk division; G. E. Ashley, in charge of burglary; D. G. Stone, in charge of miscellaneous lines; W. S. Paine, manager engineering and inspection department; E. E. Cammack, vice-president and actuary Aetna Life. Olaf Nordeng and E. J. Perrin, Jr., vice-presidents Automobile of Hartford, are also slated to speak on the program.

"Unforeseen events . . . need not change and shape the course of man's affairs"



This advertisement works hand in hand with Maryland Casualty agents and brokers, for their benefit. It is read by their best prospects, in

TIME FORTUNE
NEWSWEEK
BUSINESS WEEK

NOT TO BE MELTED . . .

Too often, when new guns appear above a nation's ramparts, the symbols of its liberty quietly disappear. But our most cherished symbol of a free America—the Liberty Bell—will not be melted down. Nor will other marks of our civilization . . . our bronze monuments . . . fireplace irons . . . millions of automobiles . . . be melted into guns and shells.

Is it because the earth beneath us is rich in natural resources? In part, yes. But of more vital importance is the spirit of freedom which sustains us. It gives us the strength and the unity of purpose to build our

national defense through willing cooperation . . . instead of through coercion.

The Maryland is proud to be among the casualty and surety companies which are helping America to prepare.

The builders of tanks, planes and other defense equipment are provided with bonds which guarantee fulfillment of contracts. The Maryland aids further by writing many other insurance coverages extending protection to industries which are forging the tools of our defense. Maryland Casualty Company, Baltimore.

THE MARYLAND

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland Casualty agents and brokers can help you obtain protection against unforeseen events in business, industry and the home.

ACCIDENT AND HEALTH

A. & H. Premiums Show Record Gain

The largest increase in premium volume by accident and health companies in the history of the business was recorded in 1940. Accident and health premiums increased more than \$33,000,000 over the 1939 figure, making the 1940 total in excess of \$275,000,000.

This increase of over 13 percent in premium volume last year was estimated by Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference, based on reports furnished him by company members of his organization representing over 65 per cent of the business written by its membership.

This not only establishes a new all-time high mark for the business of accident and health insurance but shatters all previous records of annual growth—both in percentage and actual amount of premiums.

Added to this remarkable achievement, loss ratios in 1940 were reported slightly less than those for the previous year.

Metropolitan Survey Shows Accident Trend Up in 1940

It is estimated that accident fatalities in 1940 will be about 98,000 or nearly 5,500 greater than in 1939, according to figures compiled by Metropolitan Life. This reverses the downward trend in accident fatalities which has been in order since 1937. However, it is 5,000 fewer than in that year.

Each of the major classes of accidents shows an increase in deaths. Lives lost in automobile accidents are estimated at 34,500, a figure 2,000 greater than in 1938 and 1939. It must be pointed out, however, that there has been a decided increase in auto travel this year. The rise in other classes of accidents has been due in part to the national defense program which has brought more men into industry, thereby increasing the number exposed. Catastrophes were also more frequent and took more lives in 1940 than in the preceding year.

The largest disaster was the dance hall fire in Mississippi in which 210 lives were lost. Four mine catastrophes took a toll of 257 lives, and three transport plane accidents killed 44. The latter brought to an end a 17-month record established by the commercial air lines in which there had been no fatal injury to any passenger or crew member. Accidents in which 25 or more persons were killed, in addition to the above, include explosions at powder mills, 154, and a hurricane in the Georgia and South Carolina coastal section, 35. A storm along the Great Lakes took a large number of lives of sailors and hunters.

E. L. Stephenson Reviews Aviation Accident Covers

At the January meeting of the Chicago Accident & Health Association this week, E. L. Stephenson, manager Associated Aviation Underwriters, who is a member of the association and was quite active in its work while Chicago manager of the United States Casualty, outlined the specialty aviation accident coverages that are available, as contrasted with the regular accident forms which merely provide single indemnity for policyholders traveling as passengers on regular commercial airlines. He reviewed the various policies issued by the three aviation insurance groups, including ticket policies, individual policies for passengers, student pilots and regular pilots, including the coverage required under the Civil Aeronautics Authority training course, forms covering flights to South America, Bermuda,

Hawaii, etc., and group policies for employers. He also emphasized that tailor-made policies can be arranged to fit any particular circumstances.

Much interest was manifested in the general subject of aviation accident insurance and the many questions that were propounded on coverages and rates were answered by Mr. Stephenson and Harold Montee, Chicago manager of Aero Insurance Underwriters. Armand Sommer, Continental Casualty, and E. W. Day, Lumbermen's Mutual Casualty, both of which companies are writing aviation accident business on an independent basis, spoke briefly on the coverages granted by their companies.

President Donald E. Compton, Provident Life & Accident, announced that the February meeting will take the form of an evening get-together and smoker, probably either Feb. 11 or 12. Samuel Rockwell, Hartford Accident, will be in charge of arrangements.

A. D. Anderson, Occidental Life, chairman of the educational committee, told of the plan for an underwriting course for employees of general agencies and branch offices who are engaged in the underwriting of accident and health business, which will be in charge of Armand Sommer, Continental Casualty. These will be dinner meetings, starting Feb. 6, and will be combination quiz and lunch sessions with a panel of underwriting experts to assist Mr. Sommer in answering the questions that may be brought up.

"Information Please" Quiz Features Brink Agency Rally

DETROIT—The "Information, Please" technique of getting data over to agents was adopted by the Earl B. Brink state agency of the Mutual Benefit Health & Accident and United Benefit Life at its annual meeting, when five experts answered queries fired at them by 140 agents attending. Mr. Brink presided.

H. C. Carden Omaha, superintendent of agencies, outlined agency plans for 1941; W. H. Hall, tax expert of the Detroit board of commerce, talked on "The Effect of the Defense Program on Business in 1941"; A. H. Creutz, past president of the United Club, on "The Sales Story of the Mutual Benefit Policy Provisions."

The Borden & Busse movie, "Autopsy on a Lost Sale," was shown.

F. S. Finch, assistant secretary and chief life underwriter, spoke on "Opportunity with the United Benefit in 1941." J. C. Nichols, Grand Rapids, urged "Selling of Package Protection." Richard Rolfe, Detroit, spoke on "We're All Salesmen—What About It?" and Frank Walton, Grand Rapids branch manager, on "Do You Want to—Enough?"

The board of experts consisted of James Walters, Lansing manager; James Lake, Grand Rapids; Dudley Edelman, Detroit; F. S. Finch, from the home office, and J. P. Davis, Omaha, manager group division Mutual Benefit.

Writes CAA Student Pilots

The Lumbermen's Mutual Casualty is now writing the aviation accident policies required of student pilots under the Civil Aeronautics Authority program, with \$3,000 principal sum and \$1,000 reimbursement, at the same rates as the aviation groups.

Brown Twin City President

ST. PAUL—Adam C. Brown, Great Northern Life, Minneapolis, has been named president of the Twin City Accident & Health Club. E. J. Le Clair, North American Life & Casualty, St. Paul, is first vice-president; Charles R. Kate, Mutual Benefit Health & Accident, Minneapolis, second vice-president; Robert A. Lilley, Aetna Casualty, St. Paul, third vice-president; V. E. McColl-

um, Massachusetts Protective, Minneapolis, secretary, and Harvey E. Thompson, Washington National, Minneapolis, treasurer. R. V. Lynch, Monarch Life, is the retiring president.

Shearer Agency A. & H. Leader

Repeating its success of a year ago, the agency organization of Howard A. Shearer, Boston, won top position in the production of new accident and health premiums for the Columbian National Life in 1940. The Shearer agency also finished fourth in production of paid life insurance the past year.

Following closely on the heels of the Shearer agency in new accident and health business were the agencies headed by George L. Dyer, St. Louis; E. E. Lamb, Chicago; L. E. Beardslee, New York, and A. C. Newell, Atlanta.

West Coast Amplifies Plans

SAN FRANCISCO—Plans for increased activity by the West Coast Life were outlined at a conference here of agency managers by H. J. Stewart, vice-president and manager of agencies, following announcement that the company is entering the accident and health field.

Hospital contracts will be offered with or without surgical benefits to employed individuals and family groups. Income protection will be written with either of

two sickness clauses. Partial disability may be excluded from accident coverage with a reduction in premium. Hospital, nurse or blanket medical expense reimbursement as well as other features may be added. A personal automobile accident policy will be issued.

Panchuk Joins Federal L. & C.

LANSING, MICH.—John Panchuk, assistant attorney-general and legal adviser to the insurance department for the past four years, has been appointed counsel by the Federal Life & Casualty of Detroit. Mr. Panchuk was prominently mentioned as a possible selection for commissioner.

Dr. Dingman Addresses Club

Dr. Harry W. Dingman, vice-president and medical director of Continental Assurance, Chicago, was the speaker at the January dinner meeting of the Chicago Claim Association. T. J. O'Neil, superintendent of the claim department of Pacific Mutual Life, Chicago, president, presided.

Earl B. Brink, Michigan state manager of the United Benefit Life and Mutual Benefit Health & Accident has been installed as the new president of the U. & I. Club of Detroit, a luncheon organization.

What should an Agent expect from a Company?

First, he should expect that his company will back him all the way under the terms of the policies he writes . . . He should expect a claim department that settles claims quickly, courteously, satisfactorily . . . He should expect the company to be strong enough to fulfill all obligations assumed under its policies. Finally, he should expect **ADEQUATE COMMISSIONS FOR HIS EFFORTS.**

If you are on the lookout for a company which guarantees complete underwriting facilities, why not find out what Ohio Casualty has to offer? A postal card will bring full details.

THE OHIO CASUALTY INSURANCE COMPANY

Home Office - Hamilton, Ohio

FIDELITY AND SURETY

Surety on Liquor Bond Held for Licensee's Illegal Acts

AKRON, O.—In a decision which may set a new precedent in Ohio law, Judge Ray B. Watters held that bonding companies are liable for damages resulting from illegal acts of retail liquor license holders. He overruled a demurrer to a suit by S. H. Laird, Akron, to collect from Columbia Casualty for a damage verdict he obtained against Robert O. and Mary Shaw, former cafe operators.

The bonding company contended its obligation under the Ohio liquor control act does not extend to meeting judgments against cafe operators, and that the petition against it therefore did not state a cause of action. In overruling this position, Judge Watters cited a Nebraska case in which a cafe's bonding company was held for damages when an intoxicated patron was killed by a railroad train.

Laird obtained a \$2,500 verdict against the Shaws. He contended they violated the law in selling him liquor when he already was intoxicated, and that as a result, he suffered injury in a fall at the rear of the cafe. When Laird failed to obtain payment of the judgment against the Shaws, he brought a new action against Columbia Casualty, which wrote the Shaws' \$1,000 performance bond.

Surety Association Adopts New Reinsurance Pact

NEW YORK—Induced doubtless by the existing uncertain state of affairs throughout the country, the annual meeting of the Surety Association of America last Friday was more largely attended than any such gathering for many years. The new standard form of reinsurance agreement, previously studied by all members of the organization, was adopted. J. C. Smith, secretary of Travelers in charge of its fidelity and surety division, presided at the meeting.

War Department Building Bonds

LOS ANGELES—The Los Angeles branch office of the United States Fidelity & Guaranty has executed a bond on the war department contract for temporary buildings at Tucson, Ariz., to M. M. Sundt, the contract being for \$843,700.

Pacific Indemnity and Fidelity & Deposit have executed a bond running to the war department covering a contract for buildings at Camp Ord, Calif., awarded to the Ford J. Twait Co. and Morrison-Knudsen as joint bidders, with contract price of \$1,360,000.

Discuss Bonding Proposals

LOS ANGELES—The Surety Underwriters Association of Southern California discussed a proposed change in the state contractors license law, which may come before the legislature, to make it more difficult for a contractor to qualify for a license. The proposal was referred to the legislative committee.

The association also discussed the proposed elimination of the requirement that deputies of elective municipal and county officers be bonded, and went on record as opposing such a change.

Big Ore. Shipbuilding Bonds

PORTLAND, ORE.—The \$2,500,000 payment bond and the \$1,000,000 performance bond in connection with the \$26,000,000 contract for construction of two navy mine layers by the Willamette Iron & Steel Corporation have been written by a group of sureties headed by the Hartford Accident. The award was among the first of shipbuilding contracts for the government to be made to Portland firms. Stuart Leavy of Jewett, Barton, Leavy & Kern, Portland, handled the negotiations.

Assistant Managers, Field Force Taking Surety Course

Twenty-six assistant managers and field assistants with an average of 10 years casualty experience with Travelers are at the home office for a special four-week course in fidelity and surety bonding. The men come from 24 different offices in 14 different states and were originally given the three-months training course required of all field assistants

in casualty lines.

When Travelers Indemnity entered the fidelity and surety business last year, experienced men in these lines were assigned to a large number of branches as assistant managers. They have done considerable educational work among both salaried employees and agents. They will now have assistance from these additional 26 who will return to their respective offices early in February.

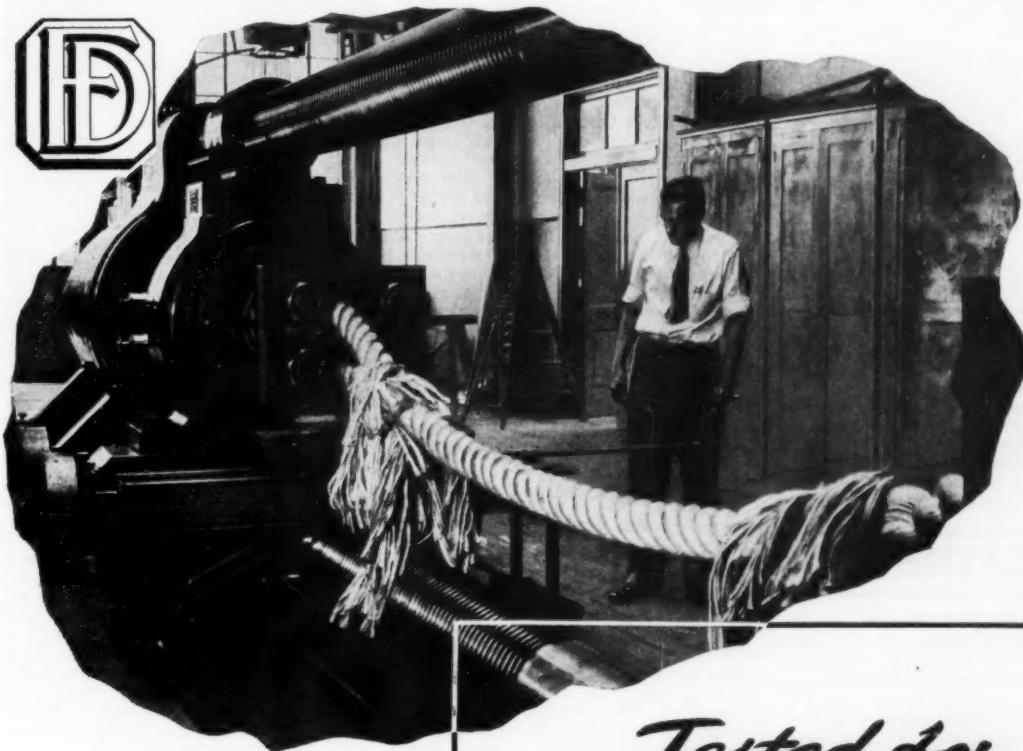
Hartford Accident Meeting

The western department field men of Hartford Accident gathered in Chicago Wednesday for a three day conference

with Vice-president George H. Moloney of Chicago and Secretary Frank C. McVicar from the home office. Assistant Manager J. W. Reitze will serve as chairman Thursday and Friday. There will be a dinner Friday evening that will be attended by the entire western department staff. The meeting is being held at the Edgewater Beach Hotel.

The Ohio department has licensed the North American Casualty & Surety Reinsurance.

Increase your business during Accident & Health Week. Write your company for promotional material.



Tested for STRENGTH

No guesswork here! This huge machine, capable of exerting a pull of a million pounds, is used to determine the tensile strength of cordage—that buyers may have facts to guide them.

In selecting a company to safeguard their businesses against the hazards of employee-dishonesty, burglary, robbery and forgery, insurance buyers look for facts that indicate its ability and willingness to pay its losses promptly and fully—not just today, but in the remote future as well.

Here are the facts with respect to the F&D: (1) half a century of specialized experience in the issuance of the types of coverage mentioned above; (2) a record of never having failed to meet its obligations promptly and fully; (3) a surplus to policyholders, as of June 30, 1940, of \$11,963,592; (4) a nation-wide organization with 52 field offices strategically located so that F&D agents in all parts of the country can obtain the action and cooperation so necessary in creating and retaining customer good will.

FIDELITY AND SURETY BONDS,
BURGLARY AND GLASS
INSURANCE

**FIDELITY
and DEPOSIT**
COMPANY OF MARYLAND
BALTIMORE

CASUALTY PERSONALS

R. H. Platts and J. B. Hacker, vice-presidents of **Standard Accident**, were in the Chicago office several days conferring with Manager V. H. Bartholomew about production plans for the new year.

Gen. J. F. Howell of Bristol, Va., oldest agent of the Travelers, is celebrating his 95th birthday Jan. 17. General Howell, who is commander-in-chief of the United Confederate Veterans, served three years as a Confederate soldier. In commenting upon his longevity, he said: "During my whole life I have been reasonably temperate. I have always tried to be optimistic, to enjoy the humorous side of life and to avoid unfair criticism. I have always avoided idleness, looking forward rather than backward."

Jack Ryan and Hans Ruenzel, Fidelity & Casualty, Milwaukee, are seeking reelection as directors of the Milwaukee board of education.

Frank J. Schafer, vice-president of Meeker-Magner Company agency of Chicago, left Saturday for a vacation at Hollywood Cal. He intends to return about Feb. 15.

R. E. Baker, office manager Hartford Accident in Chicago, was guest commentator this week at a meeting of the Chicago Speakers Forum composed of some 60 business men. He also is active in the Toastmasters Club on the south side of Chicago as well as the two sections of the Exchange Speakers Forum, of which he is a founder and the perennial critic and commentator.

self-educated. He started as office boy with Pacific Mutual Life in Cleveland, becoming cashier there, then some years later going with the Continental Casualty home office in Chicago. He rose through various positions until he was placed in charge of the commercial accident and health department in the home office, resigning in 1916 to go with Hyman & Co. When the downtown branch of Continental Casualty-Assurance moved into the Insurance Exchange in 1936, Mr. Glasgow was named vice-president in executive charge and held this post for about two years. Then when N. O. Hoag was placed in charge Mr. Glasgow was second in command. When E. L. Grant, manager Continental Assurance in the branch, became ill three years ago Mr. Glasgow supervised that department. He was a baseball player in his youth and played on a semi-professional team. He was keenly interested in tennis, squash and badminton, which he played frequently at Chicago Town & Tennis Club. A son, Robert J., a graduate of Dartmouth, is connected with the Continental Casualty home office in research work. Harry Glasgow was for many years a member of the Normal Park lodge of Masonry. Many officials of the branch office and home office, and many friends in and out of the insurance business in Chicago, are expected to attend the services, which are to be held at 3 p.m., Jan. 16, in the chapel of Lain & Son, 63rd and Harvard.

Approve Auto Accident Form

BATON ROUGE, LA.—The Louisiana Casualty & Surety Rating Commission has again refused to approve automobile medical payments coverage protecting the named assured, but has authorized separate accident policies protecting only the named assured while driving or riding in a private passenger automobile. The announcement states that there is no objection to companies restricting this policy to assured carrying automobile liability insurance with the same carrier, which is the underwriting practice of companies filing this special accident policy, but that the commission itself will not make this requirement mandatory.

The commission also announced a mandatory rate schedule for automobile accident insurance for the named assured, with a sliding scale of premiums from \$2 for a policy limit of \$250 to \$4 for a \$2,000 limit.

State Farm Parley in Iowa

DES MOINES—The State Farm Companies held their Iowa convention here this week with 250 agents attending.

R. P. Mecherle, president State Farm Mutual; A. H. Rust, president State Farm Life; A. W. Tompkins, agency vice-president, and W. D. Stegner, state director of Wisconsin, spoke. A playlet, "The Trial of John Q Agent," was a popular feature. At the banquet production prizes were awarded.

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E. H. O'Connor Joins Provident L. & A.

CHATTANOOGA — Appointment of Edward H. O'Connor as agency manager of the accident department Provident Life & Accident is announced. Mr. O'Connor becomes assistant to James E. Powell, agency vice-president in charge of the accident department. He goes to



EDWARD H. O'CONNOR

Provident from his position as assistant secretary and manager of the accident department of Bankers Indemnity.

Mr. O'Connor's insurance experience dates to 1916, when after completing his education at Fordham University he entered the home office of Metropolitan Life. Entering the army in 1917 as a private, he was mustered out two years later as a commissioned officer. His next position was with Royal Indemnity, where he attained the position of assistant manager of the accident department.

In 1925 Mr. O'Connor went with United States Casualty, where he soon assumed charge of the accident department. He was named assistant secre-

tary in 1936 and held that position until his resignation in 1938.

In 1935 he was elected chairman of the governing committee, Bureau of Personal Accident & Health Underwriters and served in that capacity for two terms. He served as president of the National Accident & Health Association in 1938-39, and was organizer and first president of the Newark Accident & Health Association.

Retaliatory Law Tax Issue Is Decided Against Insurer

An issue involving premium taxes under the retaliatory law of Kansas has been resolved against Employers Casualty of Texas by the Kansas supreme court.

The Kansas premium tax is 2 percent and the primary premium tax in Texas is 3.25 percent. However, the premium tax of Employers Casualty in its home state was only .625 percent because Employers Casualty had invested more than 50 percent of its assets in Texas securities.

Employers Casualty argued that if a Kansas company operating in Texas had invested more than 50 percent of its assets in Texas securities, the premium tax on it would have been only .625 percent. Hence, Employers Casualty argued that it should not be liable for more than the primary tax of 2 percent in Kansas rather than the 3.25 percent.

The supreme court observed that Employers Casualty has none of its assets invested in Kansas and it is not entitled to insist upon a rate in Kansas which it could not obtain in its own state under those identical conditions. Employers Casualty has been accorded exactly the same treatment as a Kansas company operating in Texas would receive if it had invested none of its assets in Texas securities. The amount involved in the controversy was \$1,795.

Worsham St. Louis Speaker

The St. Louis Accident & Health Association held a sales meeting and luncheon Jan. 11 at which James A. Worsham, public relations counselor for Southern Illinois Coals, Inc., spoke on "The Art of Persuading People." There were 150 in attendance.

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street

New York

DECEMBER 31st, 1939

CAPITAL	\$ 2,000,000.00
Surplus	4,925,022.53
Voluntary Contingency Reserve	500,000.00
Reserve for Losses	4,411,967.35
All Other Liabilities	2,659,228.69
TOTAL ADMITTED ASSETS	14,496,218.57

NOTE: Securities carried at \$361,062.50 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY
Re-Insurance

Opportunities **Income**
for Salesmen in **Insurance**
48 **Specialists**
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• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

Many Pointers Are Given at Inter-Ocean Rally

CINCINNATI—In opening the convention of Inter-Ocean Casualty general agents, J. W. Scherr, president, reported that the company reached new highs in assets, premiums, and surplus in 1940. For the first time, Mr. Scherr said, gross assets reached the \$1,000,000 mark. Premiums increased to approximately \$1,-



J. W. SCHERR

875,000 and policyholders' surplus to \$455,000. W. G. Alpaugh, vice-president and secretary, was presiding officer. The sessions were held in round table form, with discussion leaders followed by an open forum.

Mr. Scherr said that 1941 would be a good business year and predicted a large increase in accident and health volume. He reported that Inter-Ocean had made rapid progress in the past few years.

B. W. Balay, auditor, said the general agents are not only producers but also custodians of company funds. He urged that company funds be segregated from personal funds and that the company money be earmarked as soon as it is received from the policyholder.

Agent Is Underwriter

J. E. Sheridan, managing underwriter, emphasized the fact that the agent is the real underwriter. He stated that the company wants to write good risks and wants to pay all claims promptly. Whenever there is doubt as to whether a claim should be paid, the policyholder is always given the benefit of it, Dr. W. E. Brown, medical director stated.

In a discussion on direct mail, J. W. Scherr, Jr., assistant secretary, said that its chief uses are among occupational or social groups and as an introduction for a future personal call. He called on Fred Mitchell, Detroit, and F. W. Sarles, Greensboro, to describe the methods they had found effective in direct mail solicitation. Mr. Mitchell said it is important to plan a mail campaign carefully and try to do only one thing or get across one idea. It is impossible, he said, to give all the information by letter. Third class mail should not be used, because the postoffice is not obligated to deliver it. If the letters are not mailed by Thursday noon, the pieces won't be in the office for which they are destined until Saturday morning.

Mr. Mitchell stated that the agent should talk in the letter as if he were talking to the prospect in person. The great bulk of returns will be in the first four days that letters have been sent out, he said. He uses a postoffice reply card. On a carefully selected list, Mr. Mitchell gets a 3 percent return and sells 50 percent of these. He said that

(CONTINUED ON LAST PAGE)

Public Official Bonds Are Now Being Placed

January following an election is always the big month for placing public official bonds, because no matter what the election might cover there are municipal and county as well as state offices that require bonding. Of course, the agent who procures these sales must be either politically minded or acquainted with a man in office or a party leader, as it is almost impossible to place a public officials bond cold canvass.

This type of bond is written for the term of office, and the larger ones are usually those taken out for employees in the offices handling state finances. In some states certain positions in the motor vehicle department are bonded, and in a few states, such as Pennsylvania, milk distributors are required by law to be covered.

Employees of municipally operated utility companies, which heretofore had to be covered by schedule or individual bonds, may now be written under commercial blanket or blanket position bonds. This departure from the old method should make it easier for the agent placing the business.

Hear Alldredge in Cincinnati

CINCINNATI—F. B. Alldredge, superintendent accident and health department Occidental Life, Los Angeles, and first vice-president Health & Accident Underwriters Conference, will speak at a meeting of the Cincinnati Accident & Health Association Feb. 21.

Open Md. Compensation Bureau

At the request of the National Bureau of Casualty & Surety Underwriters and with the approval of the Maryland department, the National Council on Compensation Insurance has established a local administrative bureau, the Maryland Compensation Rating Bureau, in Baltimore, to administer workmen's compensation rates in the state. It replaces the Maryland branch of the National Bureau so far as compensation rates are concerned. The new office at 7 St. Paul street, Baltimore, is under the management of George Haatanen, who will continue also as head of the National Council's District of Columbia bureau.

Heyer Newark A. & H. Speaker

At the dinner meeting of the Accident & Health Underwriters Association of Newark Jan. 16, J. C. Heyer, vice-president Commercial and Metropolitan Casualty, will speak on "What Becomes of Our Accident and Health Premium Dollar."

Check Machinery and Stock

NEW YORK—Bureau and company inspectors, in addition to checking the fire hazards of plants, are devoting attention to the character of machinery and stocks, which data is useful in connection with use and occupancy coverage. Previous estimates as to the probable time that would be required to make replacements of both machinery and stocks, have been revised sharply upward. Except in industries engaged in what is or will likely be termed essential to the national defense program, and hence accorded preferential treatment in ordering equipment, the length of time to replace will probably increase still more sharply as the war effort gains momentum.

The Optical Mutual, with headquarters in the Military Park building, Newark, has been launched with Stanley Meyer as agent for service, to insure against loss and damage to glass, including lettering and ornamental, and the frame in which the glass is set resulting from breakage of the insured glass.

Increase your business during Accident & Health Week. Write your company for promotional material.

★Fidelity, Surety and Forgery Bonds★Fidelity, Surety and Forgery Bonds★

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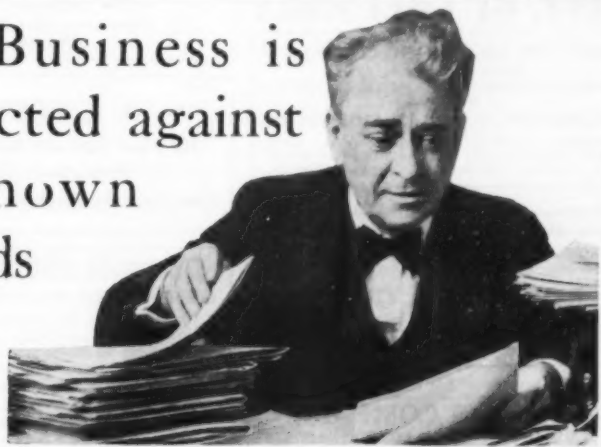
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Cincinnati Fire Group Annual Meet

CINCINNATI—Gustav May and West Shell were elected for two-year terms on the governing committee of the Cincinnati Fire Underwriters Association at its annual meeting. With T. T. Bryant, T. W. Earls and T. M. Geoghegan, they constitute the board for the current year, meeting to elect officers from their membership shortly.

By unanimous vote, the association adopted a resolution designed to protect and preserve the business of those members called for military service, the report being presented by G. W. Brinsmaid, chairman of the special committee. Members will assist by renewing and preserving such business of absentees intact with the agencies and solicitors designated to care for it. The governing committee is empowered to suspend membership fees for the term of such service should the procedure seem advisable. It also is empowered to deal with alleged violation of the spirit of the resolution. The secretary is given the power to act as trustee for such absentee members. A roll of honor is to be established and the names of members called to service posted thereon and given appropriate publicity.

Geoghegan Reviews Year's Events

President Geoghegan briefly reviewed events of the year, a number of activities being at the present time in an incomplete stage. The Cincinnati Automobile Club agency license question is in the hands of the court, attorneys for both sides having filed briefs. The question of Sears, Roebuck writing business through its employees is pending with the insurance department. In an exchange of correspondence, the General Exchange stated that it does not write insurance except on cars financed by its finance affiliate, Mr. Geoghegan recommending that the issue remain dormant. Although the action was opposed by agents, the Church Properties Fire received an Ohio license. The right of the superintendent of banks to accept policies from unlicensed companies for institutions under his supervision is being considered by the attorney-general.

Mr. Geoghegan said that Laurel Homes, a government housing project, was insured in mutual companies and it did not look favorable to the stock companies for getting the insurance on other such projects either under way or contemplated because of the lower rate the mutuals were able to give in bidding. During the year an Insurance Advisory Council was established which has fostered friendly relations with credit men. The solicitor requalification carried out by the insurance department caused a considerable reduction in the number so qualified, he stated.

V. G. Martin Executive Secretary

Mr. Geoghegan requested W. A. Earls, immediate past president of the state association, to discuss the appointment of V. G. Martin as executive secretary of that organization. Mr. Earls said that Mr. Martin is well qualified for his position and that he will do a good job. He stated that the year would be a heavy one from a legislative standpoint. Mr. Martin will address the February meeting of the Cincinnati association.

Secretary J. F. Schweer read the report of the nominating committee for its chairman, J. G. Wright, who was ill. Mr. Schweer in his secretary's report stated that the number of class 1 members now stands at 90. There are 61 members in the three solicitor classes as

compared with the previous year's total of 56. Total associate membership is 762 as compared with 747 in the previous year.

President Geoghegan stated that the association was in a very satisfactory financial condition and an audit showed a substantial bank balance. He received a standing vote of appreciation from the membership for his leadership during the year.

Iowa Mid-Year Program Completed

DES MOINES—L. M. Jefferies, president Iowa Association of Insurance Agents, has announced the program for the mid-year meeting here Jan. 27. One of the main features will be the presentation of the final draft of the proposed agents' licensing and qualification bill which will be explained in detail.

The meeting will open at 9 a. m. with a series of committee conferences, covering fire and accident prevention, local boards and legislation.

President Jefferies will formally open the business session at 10 a. m. and give his report on the national convention and the state administration to be followed by the secretary-treasurer's report and committee reports.

Two Educational Talks

Educational talks on the morning program will be given by E. L. Stephenson, Chicago manager Associated Aviation Underwriters on "Aviation Insurance" and F. W. Doremus, western manager American of Newark.

At the luncheon Attorney-General Rankin, of Iowa will talk on "The Agents' Place in the Program of National Defense."

In the afternoon the spring regional educational program will be outlined by Harry Brown, Mason City, chairman executive board. The proposed licensing and qualification bill will then be presented by the legislative committee.

The testimonial banquet honoring R. W. Forshay, Anita, Ia., vice-president National association, will conclude the gathering.

Brown Warns Farm Mutuals of Federal Control Menace

ST. PAUL—Small farm mutuals in Minnesota were warned at their annual meeting here that even these strictly local companies are by no means safe from federal control. Garfield W. Brown, American Mutual Alliance, Chicago, former Minnesota commissioner, said that already certain federal administrative bodies are trying to extend their jurisdiction beyond what Congress intended and cited the labor relations board as an example.

"I am not so much afraid of federal supervision of insurance," Mr. Brown said, "as I am concerned over the fact that Congress already has passed laws that appear to put insurance under federal control. Seventy-five years ago the supreme court held that insurance was not interstate commerce but in the light of recent developments we no longer can rely on any such interpretation of the law."

If the stand of the labor relations board is upheld, Mr. Brown argued, it will be possible to show that even township mutuals are doing an interstate business because they do business with some mutual creamery or like firm which in turn does an interstate business.

N. O. Evenson, Litchfield, was elected president of the State Association of

Farmers Mutual Insurance Companies; George Miller, Madelia, vice-president; A. E. Anderson, Cottonwood, secretary; Frank Powers, Mora, treasurer; J. R. Crawford, Beaver Creek, national representative.

The attitude of the federal land bank in placing insurance and in refusing to pay assessments levied by mutual companies drew the fire of the mutual men. During the discussion it was charged that the refusal of the land bank to permit purchasers of its farms to pick their own insurance companies was "a backdoor entry to socialized insurance."

In the matter of legislation, as usual the farm mutuals are mainly concerned in raising the population limits of villages in which they may write dwelling and church insurance. At present they are limited to villages of 1,000 or less and have for years been trying to increase this to 5,000 without success. The fact that the 1940 census has put out of their reach many towns in which they formerly operated has increased their desire for a change in the limits.

CONTROVERSY ON STORM CLAIMS

ST. PAUL—The question whether some of the farm mutuals in Minnesota should pay livestock losses growing out of the Armistice day storm was debated rather warmly at annual meetings here. So far several of these companies have withheld all payments of claims and this attitude is not pleasing to some of the members and policyholders who expressed their views quite frankly at the meetings.

Some of the farm company officials contend that their policies explicitly exempt such claims and that legally they cannot pay them out of company funds, even though the directors were disposed to do so. Policyholders, however, do not take this view and are clamoring for a settlement. The North Star Farmers Mutual is considering compromise settlement. The Farmers Home Mutual, which has about \$45,000 in claims growing out of the storm, has not decided on its course. It is understood several suits have been threatened but none started.

Retiring Nebraska Governor Reviews Insurance Situation

LINCOLN, NEB.—In his farewell message to the legislature retiring Governor Cochran picked out the insurance department for special mention. He said the six years of his administration witnessed the culmination of promotion stage of the insurance business in Nebraska. Like other businesses, there had to be a reaction to unsound promotion and a cleaning up of those companies which failed to achieve a stable financial basis. This has been done through reinsurance, liquidation and mergers, with a minimum loss to policyholders.

He suggested that some basic remedial legislation may be necessary, particularly in the casualty field, which was of very small volume in 1913, when the insurance code was enacted, but which has since grown to considerable volume.

He also suggested that the general administration of insurance in Nebraska might be enhanced and carried on more efficiently with the passage of legislation under which the department would be given more authority and be less subject to restrictions now imposed by the courts.

Detroiters Ask Compliance with 1929 Commission Pact

DETROIT—Over the signature of President D. T. Marantette, the Detroit Association of Insurance Agents has sent a message to company executives, requesting that they religiously observe the differential in schedule of commis-

Leach and MacDonald Go with Michigan Agency

F. T. Leach and J. M. MacDonald have become associated with the Michigan Insurance Agency, Detroit, of which W. B. Cary is president.

Mr. Leach formerly was assistant secretary-treasurer of D. F. Broderick, Inc. (Michigan) in charge of the fire department for four years, and prior thereto was with Johnson & Higgins in Michigan for 13 years, for six as engineer and the balance as underwriter and later manager fire department. In addition to becoming fire department manager, he will devote his time to the production and servicing of all lines.

Mr. MacDonald, casualty manager and assistant secretary-treasurer of the Broderick office, recently resigned and becomes representative of the Michigan Insurance Agency. Prior to affiliation with the Broderick office he was special agent Maryland Casualty, and has had 11 years' experience in casualty and surety lines. He will solicit all lines and specialize in developing and servicing boiler and machinery.

sions between that paid to policy writing agents and to non-policy writing agents. Mr. Marantette recalls that the Detroit association in 1929 adopted a resolution providing for such a differential and the companies operating in that territory gave their sanction in writing to the resolution. Mr. Marantette states that some few companies today are not abiding by the agreement and if the violations are continued and enlarged upon it will bring about a general increase in production costs in Detroit. Mr. Marantette asks that each company reply in writing that it is operating and will continue to operate in compliance with the 1929 resolution.

Question Writing of Sealed Grain Coverage by Mutuals

ST. PAUL—Questions concerning sealed grain insurance are being considered by the Minnesota insurance department. The right of township mutuals to write this business is involved and it is understood that right has been questioned outside the department.

By a special act of the Minnesota legislature in 1937 township mutuals were authorized to write fire and windstorm insurance on sealed grain. A considerable volume of business has been written under that law, windstorm coverage being placed in one farm company and the fire business distributed among others. However, the government contracts also call for coverage on inherent explosion. One question raised is whether the farm companies have authority under the 1937 law to write the inherent explosion business.

The question of assessments also is involved. Farm companies are authorized to operate only on an assessment basis but in writing this sealed grain business they are reported doing it on a flat rate basis.

Stock companies have been observing developments and in some cases have questioned the right of the farm companies to write the grain business. As far as known, however, there is but one formal complaint filed with the insurance department.

Toledo Board Elects Jan. 28

TOLEDO, O.—The Toledo Association of Insurance Agents will elect new officers at the annual meeting Jan. 28. G. L. Fitkin and G. W. Senn have been named as candidates for president, other nominees being: First vice-presi-

dent, L. R. Spitler and F. W. Smith; second vice-president, J. C. Heidberg and P. B. Shawen; directors, (four to be elected), K. C. Rowland, M. W. Johnston, Bert Decker, A. J. Kaltenbach, A. H. Haynes, Samuel Bergman, R. G. Keilholt and R. T. Brown.

President Kenneth C. Rowland has appointed C. D. Werner chairman in charge of the annual banquet. A special committee to revise the constitution and by-laws has been appointed, with H. S. Boynton as chairman.

Theodore Jasinski, attorney for the Ohio Division of Aid for the Aged, spoke Jan. 14, on "What is required, insurance-wise, when the Aid to the Aged Bureau acquires interest in pension recipients' property?"

Adams Renamed in Michigan

LANSING, MICH.—C. P. Adams, Howell, has been renamed chairman of the Michigan house insurance committee. Members are: A. P. Decker, Deckerville; W. F. Remer, Saginaw; J. F. Nagel, Detroit; E. F. Fisher, Dearborn; E. C. Gallagher, Detroit, and Andrew Bolt, Grand Rapids.

Ohio Legislative Committees

The makeup of the insurance committees of the Ohio legislature has now been determined. Chairman of the senate committee is O. W. Whitney, Sunbury. Other members are Fred L. Adams, Bowling Green, vice-chairman; McKie, Cincinnati; Hunter, Ironton; Reiners, Cincinnati; Baertschi, Toledo; Vanik, Cleveland.

Chairman of the house insurance committee is Charles S. Best, Franklin. The other members are: Asmann, Hamilton; King, Clark; Kowalk, Sandusky; Ogan, Jr., Putnam; Pierce, Huron; Thompson, Noble; Cantwell, Mahoning; Kasch, Summit; McClure, Henry; Mahoney, Cuyahoga; Pokorny, Cuyahoga, and Zona, Cuyahoga.

St. Louis Mutual Men Organize

ST. LOUIS—Mutual company salesmen have organized here with the following officers: President, R. F. Keaney; vice-president, D. F. Lewis; treasurer, David Page, and secretary, A. J. Meyer. Monthly meetings will be held to discuss ways and means of securing the acceptability of mutual insurance.

Dismiss St. Louis Indictment

ST. LOUIS—An indictment charging R. E. O'Malley, former Missouri insurance superintendent, with the acceptance of \$62,500 bribe for approving the fire insurance rates cases compromise in 1935, was dismissed by Circuit Judge Sartorius. The court sustained a plea that a Kansas City indictment for the same offense suspended the St. Louis action.

St. Paul Fire Loss \$575,352

ST. PAUL—In spite of an unusually heavy loss in December, St. Paul fire losses in 1940 at \$575,352 were only a trifle larger than in 1939 and 1938. Had it not been for \$140,000 losses in December, the 1940 total would have been the lowest in 30 years, according to Fire Chief William Sudeith. The 1939 total was \$568,000 and in 1938 it was \$567,000. Chief Sudeith credits the department's annual house inspections, begun in 1935, with a sharp decrease in the dwelling losses noted since that year. Previous to the inauguration of these inspections the dwelling fire loss annually accounted for 47.5 percent of the total loss. Since then it has accounted for only 28.4 percent of the total.

Ohio Department's Bills

COLUMBUS—The Ohio department will sponsor three bills at the present session of the legislature. One would permit the department to dispose of old and obsolete files, which, according to Superintendent Lloyd have become a space and fire hazard.

Another bill would enable the depart-

ment to open accounts with insurance companies relative to agents' licenses, and with agents relative to solicitors' licenses. Under the present law, the department may not issue a license or render other service to a company or agent until the fee is paid. This, it is said, often results in long and unnecessary delays.

Two years ago the law was changed so that the department may collect a tax on a company's direct writings without any credit for reinsurance ceded. These companies do get credit on reinsurance which they take. The law did not include the fire marshal tax nor make any change in the reciprocal tax law. It is proposed now to make the state fire marshal tax and the reciprocal tax correspond to the other changes.

Governor's Brother Elected

PONTIAC, MICH.—J. L. Van Wagoner, brother of Governor Van Wagoner, has been elected president of the Pontiac Association of Insurance Agents. Other officers are: Vice-president, George F. Whitfield; secretary-treasurer, C. N. Eaton; executive committee, Dan R. Lazelle, R. L. Wilkinson and H. M. Thatcher.

Conklin Elected in Michigan

MUSKEGON, MICH.—Floyd Conklin has been elected president of the Muskegon Association of Insurance Agents. Other new officers are: Vice-president, Forrest Haines; secretary, C. D. R. Mulder; treasurer, Martin Mulally; executive committee, Mrs. Eloise Easton, Ernest Stevens and Oliver Campeau.

Start Indianapolis Series

The first of a series of meetings of the Indianapolis Board will be held next Monday evening. The legislative committee will report on proposed legislation.

On Indiana House Committee

The Indiana house insurance committee includes the following members who are identified with the insurance business: A. O. Hiatt, Swayzee, chairman; T. E. Grinslade, Indianapolis; H. R. Hiestand, Kentland; E. C. Weller, Dale; C. H. Bartley, Jasper; H. A. Emig, Evansville, and F. J. O'Rourke.

Backs Fire Patrol Measure

MILWAUKEE—Revival of the fire insurance patrol service here, which was abandoned a year ago, is being sought by Alderman C. F. Michalski, who is backing a measure to compel both stock and mutual fire companies to contribute to the maintenance of the insurance patrol.

Polk County Survey Ordered

DES MOINES—The Polk county board of supervisors ordered a survey of insurance coverages on county property to determine whether the insurance now carried is excessive or less than it should be. Based on insurance at 80 percent of value, the supervisors are preparing to have the county home buildings and contents insured for about \$260,000.

Confer on Minn. Legislation

ST. PAUL—As the legislature was organizing to get ready for the reception of bills, officers, members of the executive committee and district chairmen of the Minnesota Association of Insurance Agents met here to go over measures in which they are interested.

Three major measures interest the agents. They are compulsory automobile liability insurance, to which they are opposed; an agents' qualification bill and liberalizing of the law on U. and O. A counter-signature law also looms as a possibility.

M. R. Cashman, Owatonna was named chairman of the senate insurance committee and indications were that G. W. Terwilliger, Red Wing, would

head that committee in the house. M. H. Lightner, St. Paul, is chairman of the senate committee on compensation insurance.

Neb. Insured Losses \$1,962,284

LINCOLN, NEB.—Fire companies operating in Nebraska paid claims totaling \$1,962,284 in 1940, or about \$200,000 more than in 1939, according to returns to the fire marshal's office. Rural losses were \$583,232 or \$15,000 less than last year.

R. M. Turner Joins Missouri Ins. Co.

Robert M. Turner, formerly manager of the insurance department of the John M. Armbruster Company and its affiliated Community Federal Savings & Loan Association in St. Louis, has been appointed special home office representative of Missouri Insurance Company.

He will primarily devote his time to the mortgage cancellation department, which specializes in reducing term life insurance contract which, in the event of the death of the home owner, will automatically cancel the unpaid balance due on his mortgage. The company expects an increase of more than \$5,000,000 in new business from this source alone in 1941.

O'Connor Heads License Division

Francis P. O'Connor of Lima, who recently was appointed assistant superintendent of insurance of Ohio, has taken charge of the licensing division. Mrs. Dorothy Koos, who has been with the department for two years, has been appointed as his assistant and second in authority in that division.

Linnell Heads Safety Council

MINNEAPOLIS—T. G. Linnell, general agent, has been elected president of the Hennepin County Safety Council to succeed Ward Senn, local agent and president of the American Mutual Life, who becomes chairman of the executive committee. Vice-presidents include O. J. Arnold, president Northwestern National Life and George K. Belden of Fred L. Gray Co. On the executive committee are Waldo Hardell of C. W. Sexton & Co. and Alexis Caswell, secretary-treasurer of the Insurance Buyers Association of Minnesota.

Montgomery Reelected President

C. J. Montgomery was elected for his sixth consecutive term as president of the Rock Island Association of Insurance Agents at the annual meeting. Other officers, all reelected, are: W. C. Maucker, vice-president, and secretary-treasurer, Miss Helen M. Stombs. The executive board members are: Frank J. Budelier, Mrs. E. B. Kreis, Elgin A. Manhard, William A. Smith, and J. P. Moran.

Members voted to change the name of the organization from the Rock Island Fire & Casualty Insurance Board to the Rock Island Association of Insurance Agents to conform with the recommendations made at the National association meeting.

Range Association Meets

CHISHOLM, MINN.—At the January meeting of the Range Association of Insurance Underwriters, Harry Levant, immediate past president of the state association, discussed compulsory automobile liability insurance and William Knudsen talked on agents' qualification legislation.

David C. Jones Joins Father

David C. Jones, who has been through a course of training at the home office of the Meserole companies in New York since August, has now become connected with the George C. Jones Company of Minneapolis, which acts as general agent in Minnesota for the three Meserole companies. George C. Jones is his father. David C. Jones graduated from Carleton College at Northfield, Minn. He has had some excellent intensified train-

ing. He expects to devote his attention to field work throughout the state.

The George V. B. Hill Co. also has a Meserole general agency in Minnesota.

Can Deduct Uncollectible Premiums

DES MOINES—The Iowa state tax commission holds that an agent's losses on uncollectible premium accounts for fire, casualty or surety are deductible on state income tax returns as "bad debts."

In case a loan is made or a note is taken from the insured covering the whole or a part of the premium, such losses may be deducted only to the extent of the commissions previously reported as income.

"Information Please" Dinner

CLEVELAND — The Cuyahoga County Board will hold a "Information Please" dinner meeting Jan. 16, with Gardner Graydon as master of ceremonies. Field men are urged to attend to help on the answers.

Nebraska Insurance Committee

LINCOLN, NEB.—Three insurance men are on the commerce and insurance committee of the unicameral legislature: C. P. Peterson, general counsel Bankers Life of Lincoln; Ernest Adams, Omaha, and H. E. Bowman, Hastings, local agents.

Amos Thomas, president National Progressive Life of Omaha, is also a member of the legislature.

Salina Wants Kansas Convention

Edwin Nellis, Topeka, chairman of the executive committee of the Kansas Association of Insurance Agents; Wade Patton, secretary, and Miss Dorothy Patton, assistant secretary, both of Hutchinson, met with the Salina Insurance Board to consider Salina's invitation to hold the annual meeting of the Kansas association in that city. Final decision will hinge on whether the National association convention goes to Kansas City or not, as the Kansas convention follows closely the national convention. Ralph H. Cravens of the Cravens Agency is president and V. M. Richmond of the Richmond-Glover Agency is secretary-treasurer of the Salina Board.

Would Transfer Tax Collection

DES MOINES—Governor Wilson in his address to the legislature recommended that the collection of the insurance premium tax should be transferred back to the insurance department from the state tax commission. He said the tax commission must go to the insurance department to get the data, thereby causing duplication of work.

Launch Survey in Emporia

EMPORIA, KAN.—The Emporia Insurers voted to conduct an insurance survey of Emporia to emphasize the importance of the association's members to the community in spending and buying power. George Shank, Fireman's Fund, chairman of the Business Development committee for Kansas, and Wade Patton, secretary Kansas Association of Insurance Agents, were present to assist in organization of the plan, which had first been used in Hutchinson. The board's publicity campaign, started last year, is to be continued and extended into a direct mail campaign. President Kenneth Scott presided. H. L. Sloan is secretary.

NEWS BRIEFS

Employees of Wheeler-Kelly-Hagney are to be guests of the Farm Credit Club of the Farm Credit Administration Wichita office at a dance Jan. 20.

Arthur Taylor, Great Bend local agent, was installed as president of Kansas Association of Real Estate Boards at a meeting in Wichita. Hobart Brady of the Swope-Brady Agency, Wichita, was installed as regional vice-president of the National association, succeeding David

Neiswanger, Topeka agent, who gave the main address at the session.

C. M. Allen, partner in the L. W. Bauerle agency, was named "realtor of the year" by the Wichita Real Estate Board at its annual banquet. R. S. Brewer of Wheeler-Kelly-Hagney presided.

At a meeting of the **Hutchinson Association of Insurance Women** Frances Fickem of the Wade Patton & Co. agency led a discussion of the supplemental contract and writing HOLC policies. Virginia Unruh of the McNaughten Agency will be chairman of the next meeting Jan. 22 on "Farm Insurance."

Dorothy Patton of the Hutchinson Association of Insurance Women, who is assistant secretary of the Kansas Association of Insurance Agents met with the Salina insurance women to discuss organizing an insurance women's group there.

Maynard Nelson will have charge of the Stillwater Insurance Agency, **Stillwater, Minn.**, during the year's absence of Capt. Gordon Welshons in the national guard.

The farm insurance conference of the **Minnesota Farm Bureau Federation** will be held in St. Paul Jan. 20.

George B. Wilson, president **J. H. Leiding Agency**, Cincinnati, and Mrs. Wilson have returned from an extended vacation in Florida.

Marine insurance was discussed by Frank Fisher, Royal-Liverpool group, Omaha, and Gordon Church, North America, Omaha, before the **Lincoln, Neb., Insurance Women's Association**. Miss Augusta Baegl presided. At the February meeting employers will be entertained.

The **Insurance Club of Minneapolis** heard a talk on compulsory automobile liability by W. A. Williams, vice-president Fred L. Gray Co., Minneapolis.

Ways and means of reducing industrial accidents were discussed before the **Insurance Buyers Association** of Minnesota in Minneapolis by K. M. Fowler, manager engineering department Continental Casualty.

Armand Harris, chairman legislative committee Minnesota Association of Insurance Agents, spoke to the **St. Paul Association of Insurance Women**.

W. D. Brown, Jr., Racine, Wis., agent, has been appointed secretary to Lieutenant Governor Goodland of Wisconsin.

The **Tuscola County Farmers Mutual Fire** has been merged with the State Mutual Fire of Flint.

G. E. Cantrell of the Underwriters Adjusting, who was recently injured in an automobile wreck in Illinois, has returned to his home in Kansas City and is recuperating.

The **National Retailers Mutual** has been licensed in Nebraska.

The name of the O. H. Clark Agency, **Indianapolis**, has been changed to J. C. McCullough, Inc.

COAST

A. W. White Elected King County Head

SEATTLE—A. W. White, Bowles, White & Brink, was elected president of the King County Insurance Association at the annual meeting, succeeding B. B. Hillen. Other officers are: W. H. Harmer, vice-president; R. P. Cunningham, secretary-treasurer; and O. L. Madison, H. E. Briggs and E. R. Bowden, trustees.

President Hillen reported on past year's activities and O. L. Madison, secretary-treasurer, reported finances in sound condition. Committee reports were given by the following chairmen: Public relations, W. C. Meek; membership, R. H. Ensign; development of public business, O. D. Starr; fire prevention, Mr. Madison; grievance, R. W.

Scott; and bank contact committee, E. W. Newton.

R. H. Ensign, John Davis & Co., a past-president, was toastmaster at the banquet. F. D. Davison, world affairs commentator, spoke on "The Significance of History in the Present Crisis." Guests included Commissioner Sullivan, W. M. Thomson, manager Washington examining bureau; J. K. Woolley, manager Washington surveying and rating bureau; Arthur Campbell, most loyal gander Blue Goose; R. R. Robertson, president Special Agents Association; J. M. Blair, president Washington Association of Insurance Agents; F. N. Bellingar, national councilor Washington association; and George Haerle, Portland, National association executive committeeman.

President-elect White entered the Carter, MacDonald & Miller Agency in 1926, starting as an office boy and advancing to manager of the marine department. In 1929 he joined the Barron-Eastman Agency as secretary. In 1932 he formed Bowles & White which later became Bowles, White & Brink.

F. U. A. P. Annual Meet Mar. 19-20

SAN FRANCISCO—The annual meeting of the Fire Underwriters Association of the Pacific will be held in San Francisco March 19-20, it is announced by H. F. Mills, president of the organization and Pacific Coast manager of the Aetna Fire group. This is more than a month later than the usual date. It usually has been held the first week in February.

Coast Unit Marks 20th Year

The 20th anniversary of the opening of the San Francisco office of the National Board was marked by the receipt of many congratulatory messages including a telegram from General Manager W. E. Mallalieu and a gift of 20 roses from Mr. Mallalieu. Charles H. Lum, assistant general manager, is in

charge in San Francisco. The office was opened with a staff of four men who were transferred to San Francisco from New York. In addition to Mr. Lum they were E. A. McCaskie, loss information department; H. J. Sloan, and J. V. Baker, arson department.

B. D. O. Schedule in Montana

The schedule of B.D.O. meetings of the Montana Special Agents Association for January has now been completed. H. L. Reilly of New York Underwriters has been appointed chairman of the educational committee of the Montana association. Mr. Reilly will be chairman of a number of meetings in January. Other chairmen are M. L. Berg, M. S. McLelland and Charles MacNeill.

Los Angeles Officers Elected

LOS ANGELES—The Insurance Exchange of Los Angeles at its annual meeting this week elected this slate of officers, presented by the nominating committee: President, W. B. Glassick; vice-president, R. J. White, both re-elected; governing committee, R. E. Battles, K. A. Belknap, W. V. Bennett, H. W. McGee, H. T. Paddock and Willson Pierce, Jr., all re-elected; McDowell V. Eastman, Horace Randall and A. M. Sidman.

New Phoenix Offices Opened

SAN FRANCISCO—The new Pacific department of the Phoenix of Hartford group was established in the new offices in the Mills building here Jan. 14, thus completing the "divorce" from the Great American group, with which the Phoenix companies had operated jointly since 1901 in San Francisco.

Form Lane, Marsh & North

LOS ANGELES—Ted Lane, Earl H. Marsh and W. J. North have consolidated their insurance agencies and will operate as Lane, Marsh & North in the

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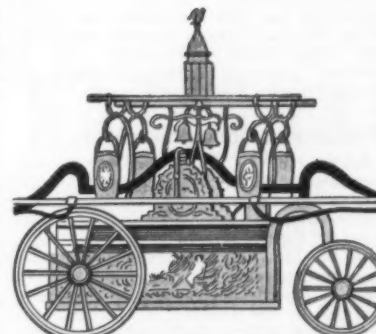
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Fire and Accessory Lines



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Associated Realty building here. Mr. Lane is secretary of the Insurance Exchange of Los Angeles and has been operating an agency for about 12 years. He is one of the leading producers of the state. He resides at Covina and is a citrus rancher by avocation.

San Francisco Forum Meeting

SAN FRANCISCO—"Insurance—an Essential Industry" was discussed at the first "for members only" meeting of the Fire Underwriters Forum of San Francisco Jan. 15. The discussion was started by W. L. Oxley, manager metropolitan department Springfield Fire & Marine. John J. Haster of Swett & Crawford was chairman.

Washington Committees Meet

SAN FRANCISCO—The contact committees of the Washington Association of Insurance Agents and the Washington division of the Pacific Northwest Special Agents Association met here with the Washington advisory committee, representing the companies. Ray Decker, Royal-Liverpool, vice-chairman, presided in the absence of Chairman R. H. Griffith, Glens Falls, who has been confined to the hospital and his home for several weeks.

Auto Adjusters Plan Golf Tourney

SAN FRANCISCO—The Automobile General Adjusters Association of San Francisco will hold its spring golf tournament and outing Feb. 11-12 at Rio Del Mar Golf & Country Club, Aptos, Cal. Ralph P. Freese of Edward Brown & Sons is chairman of the committee in charge.

NEWS BRIEFS

Thirty-two new members were initiated by Insurance Post 404 of the American Legion in San Francisco Jan. 15.

A. D. Trunkey, Lamping & Co., Portland, is back at his desk following a serious operation.

The Bellingham, Wash., agency of the late Tom Lynn has been purchased by C. J. Sorenson and Nicholas Jerns Company.

H. E. Danterive has purchased the independent adjustment business of R. H. McPeak of Yakima, Wash., and opened an office under his own name at 902 Larson building.

George C. Huggins, pioneer Marshfield, Ore., local agent, has been appointed to succeed P. H. McCloskey, resigned, as Democratic representative in the Oregon legislature.

Richard Guider, Oregon claims manager for Gould & Gould, has been promoted to the underwriting department in Seattle. He is succeeded in Portland by J. H. Moffett, Jr.

Insurance girls of Tucson, Ariz., have organized a chapter of the Insurance Girls Service Club and will affiliate with the national organization. Officers are: President, Elma Smart; vice-presidents, Virginia Batey and Adele Ahee; corresponding secretary, Mamie Lester; recording secretary, Jessie Gray; treasurer, Emma Thomas.

Mrs. John H. Gray, widow of J. H. Gray, for many years state agent in Ohio for the North British, is ill in a hospital in Columbus, where she underwent a major operation.

New Chairman of Texas Commissioners

Reuben Williams who has held the position of casualty commissioner of Texas since last September, has now been made life insurance commissioner and chairman of the board of insurance commissioners in Texas. In that capacity he succeeds the late Walter C. Woodward. His term expires Feb. 10, 1945.



Reuben Williams

J. P. Gibbs, who has been a local agent at Seguin, becomes the new casualty commissioner to succeed Mr. Williams.

Mr. Gibbs, who is 52, has been head of his own insurance agency at Seguin for two years representing Automobile, Camden, Gulf, Home, National Liberty, Pacific National, Star, Aetna Casualty, Home Indemnity, New Amsterdam Casualty and Aetna Life.

For 29 years he was general manager of the Seguin Milling & Power Company. He is a steward in the Methodist church, is a director of the Seguin Chamber of Commerce, a member of the Seguin school board and a director of the Nolte Bank.

Insurance rates on publicly owned properties have been reduced about 20 percent during the past two years. He expressed the belief that if the state would become its own insurer, it would bring about substantial savings.

Mr. Cooper praised the operations of the insurance department under Commissioner McCormack. In addition to the reduction in fire insurance rates on public properties, there have been reductions in rates on privately owned properties, the net saving to assured exceeding a third of a million dollars. Arson laws have been energetically enforced, he said, and during 1939 and 1940 68 convictions were obtained.

There is said to be no doubt of the reappointment of James M. McCormack as state insurance commissioner.

Bowles of Virginia Reports

RICHMOND—Commissioner Bowles reports there were 574 companies and underwriters agencies licensed in Virginia in 1940. Premium taxes amounted to \$1,770,603. Other fees raised the insurance department's total income up to \$1,917,057. The fire marshal's office investigated 230 suspicious fires, resulting in 77 arrests and indictments and 31 convictions.

Richmond Agencies Merge

RICHMOND—The Thomas L. Alfriend & Son and Goodridge, Benson & Goddin agencies have merged with enlarged offices in the Mutual building.

Firm members will be: O. M. Alfriend, F. A. Goodridge, E. L. Benson, Jr., A. T. Goddin. The Alfriend agency was first organized in 1857 as a general agency by Thomas M. Alfriend, a former president of the Virginia Fire & Marine and grandfather of O. M. Alfriend.

Rice Heads Tampa Exchange

TAMPA, FLA.—Robert C. Rice, H. H. Mabry Co., succeeds J. W. Warren as president of the Tampa Insurers Exchange. Under a new by-law Mr. Warren, as retiring president, becomes vice-president. L. A. Roos was re-elected secretary.

Mutual Cover O. K. in Arkansas

Attorney-General Holt of Arkansas has given an opinion that public property in the state may be insured in mutual legal reserve companies where the maximum premium or liability of the policyholders is definitely fixed. He

recalled that a former attorney-general ruled that public property may not be insured in mutuals, but the Arkansas supreme court in J. A. Clifton vs. school district of Russellville held that specific statutory authority for insuring public property in mutuals was conferred on public or private corporation, board or association by section 8 of act 652 of 1919. That is an act governing mutual legal reserve insurers and the case seems to settle the question as to insurance of public property in this type of company where the policy fixes a definite maximum premium which is not disproportionate to the cost of the insurance.

Course for Agency Employees

TAMPA, FLA.—Employees of stock agencies of Tampa have organized the Junior Tampa Insurance Exchange as a study class in insurance detail and handling. Speakers so far have been O. M. Stallings, past president Florida Insurance Agents Association, on compensation insurance, and M. M. Williamson, Fire Companies Adjustment Bureau, on automobile fire, theft and collision contracts. Meetings are held Tuesday evenings at the University of Tampa.

Oppose Consumer Cooperatives

LOUISVILLE—The Louisville Board at its annual meeting, adopted a resolution opposing consumer cooperatives.

New committees will be named at the Jan. 22 meeting by the new president, A. G. Harrison.

Survey Tennessee Cities

NASHVILLE—Representatives of the Tennessee Inspection Bureau and the state board are surveying Clarksville and Shelbyville. Witherspoon Hayes, in charge of the Clarksville survey, has announced probable reduction in rates on business property. The Shelbyville inspection, which has been in progress a month and has still several weeks to go, is covering both business and residential properties.

Hall Heads Nashville Chamber

NASHVILLE—T. G. Hall, Hall & Benedict agency, has been elected president of the Nashville chamber of commerce.

Nashville Loss \$1.50 Per Capita

NASHVILLE—T. P. Bethshares, local agent, chairman of the fire prevention committee Nashville Chamber of Commerce, announces the city has reduced its per capita fire loss rating from \$9.43 "the worst in the nation" in 1928, to approximately \$1.50 in 1940.

E. S. Hale Is Richmond Speaker

E. Scott Hale, manager loss department American of Newark addressed the insurance school at the University of Richmond Jan. 13 on "Loss Adjustments." He formerly was manager of the Fire Companies Adjustment Bureau at Bluefield, W. Va.

J. G. Bohannon, Petersburg, attorney for the Virginia Rating Bureau, will talk Jan. 20 on "Law of Agencies."

Consider Kentucky School Plan

LOUISVILLE—An all-day meeting of the executive committee of the Kentucky Association of Insurance Agents will be held here Thursday. Following the very successful training school of the Louisville Board, it is proposed to arrange for a series of district educational conferences over the state, to train insurance office workers. The annual meeting will be held in Louisville June 19-20, at the Kentucky Hotel.

C. B. H. Loventhal Heads Firm

NASHVILLE—Charles B. H. Loventhal has been elected president of Loventhal Bros., following a reorganization and incorporation. Other officers are: Mrs. Lee J. Loventhal,

IN THE SOUTHERN STATES

Designation of Insurer Is Legal

AUSTIN, TEX.—The designation of the insurer in which mortgaged property must be insured is not illegal, Attorney-general Mann of Texas has ruled, because "the power to contract is untrammelled among men of full age and competent understanding." Each citizen has the right to choose his own agent or insurance carrier but such legislative intent does not prohibit persons entering into contracts serving their own interests, according to the attorney-general's ruling in answer to inquiry by Fire Commissioner Hall concerning the so-called "coercion of premiums."

This ruling specifically overrules several previous conflicting opinions by prior attorneys-general and confirms one ruling that said, in effect, that when a borrower signs a contract containing a clause that the lender is to designate the insurance carrier, the borrower thereby has chosen his insurance agent and carrier since he signed such agreement of his own free will.

Admitting that the legislature intended to preserve to any citizen his right to select his own insurance company, Attorney-general Mann said it did not prohibit a contract made prior to consummation of a loan, or in a deed of trust, requiring a borrower to put the placing of insurance exclusively in the hands of the lender.

Expect Increase in Fire Loss Ratio in Texas

NEW YORK—Although official returns from Texas on 1940 experience are not available, the present forecast is that the loss ratio on fire will be somewhat higher than that of 1939, which was 46 percent on premiums of \$21,892,710. In the same year the windstorm premiums totaled \$4,969,003, producing a loss ratio of 40 percent. Curiously the heavy wind-

storm losses in 1939, as was true also of the two preceding years, were on inland business, the loss ratio on that classification yielding premiums of \$3,424,132 being 55 percent, whereas the ratio on coast business, furnishing premiums of \$1,544,871, was but 7 percent.

The reason for the anticipated increase in the 1940 loss ratio on fire business is the sharp rate reduction that was applied in September, 1939, to all of the important risk classes, followed later by other moderate reductions.

Ask New Insurance Bids on Nashville Housing Projects

NASHVILLE—To clarify the situation following previous bids on insurance coverage, the Nashville Housing Authority is again advertising for bids to close Jan. 22 on fire insurance coverage on four local housing projects valued at \$2,250,000.

Under the first bid, stock company agents, represented by the Nashville Insurance Exchange and several local representatives, made a bid of approximately .073 cents for extended coverage, etc., but a flat bid of .02 cents was entered by one stock company agency. The latter bid was later withdrawn. It is understood that it would have been disqualified for lack of proper authority on rate differential. In the first bidding all mutual bids were disqualified when the housing board refused to "anticipate" quoted "20 percent dividends" that would reduce premium quotations.

It is believed that liability insurance will be awarded on a premium bid of \$1,646 for the same projects to a stock company agent since quotations on liability coverage were not included in the first advertisement.

Tenn. Governor Favors State Fire Insurance Fund

Governor Cooper of Tennessee in his message to the legislature, proposed that the state self-insure its own fire insurance risks. He stated that fire insur-

vice-president; Samuel C. Loventhal, secretary; and Mrs. Marie Loventhal Westfield, treasurer.

NEWS BRIEFS

T. Ray Phillips, Oklahoma state agent America Fore, addressed the Insurance Women's Club of Oklahoma City on "The Oklahoma Capital Stock Insurance Council." John Benson, secretary of Oklahoma Fire Underwriters Association, was a special guest.

W. B. Calvert, Jr., captain in the 138th field artillery, who is a partner in the Booker & Kinnaird agency, Louisville, has been called into active service and will be stationed at Hattiesburg, Miss.

J. B. Ragon, Jr., Chattanooga agent and an active member of the Tennessee Association of Insurance Agents, who is representing Hamilton county in the Tennessee legislature, has been re-named floor leader of the House.

B. P. Carter, Richmond, Va., general agent, attended a meeting in Lynchburg of the directors of the Retail Merchants Association of Virginia and of the special committee on consumer cooperatives. He is a member of this committee and an honorary member of the association.

MARINE

Tilton Is Promoted by Automobile

C. O. Tilton of the ocean marine loss department of the Automobile and the Standard Fire of Hartford has been named superintendent of that department.

Mr. Tilton entered the insurance business in 1913 as a marine clerk and later loss adjuster for the W. A. Hamilton Company in Boston. He continued with the agency after its consolidation in 1933 with Boit, Dalton & Church. In 1935 he joined the Automobile and Standard.

Providence Washington Has Detroit Marine Service Unit

Providence Washington and Anchor have opened a marine service office in the Dime building, Detroit, under the direction of Thomas B. Hanchett. He will work under the general supervision of Elton Millman, marine agency superintendent at Cleveland. Mr. Hanchett has been located in Chicago for Providence Washington about seven years and has been traveling in Wisconsin, Minnesota and Illinois.

H. R. French Trial Set for Jan. 27

SEATTLE—Jan. 27 is the date set for opening of the trial of Hallett R. French of Seattle, former general agent for Washington, Oregon and Montana for Merchants Fire of New York, on a

charge of grand larceny growing out of his asserted theft of premiums on insurance he wrote on the Tacoma Narrows Bridge which collapsed Nov. 7. The specific charge on which he will be tried is that he embezzled \$1,217.88 paid by the state on \$150,000 worth of insurance on the bridge.

Casler Succeeds LaBoyteaux

Howard W. Casler has been appointed manager of the inland marine depart-

ment of Fowler & Kavanagh of New York, eastern department managers for St. Paul F. & M. He takes the place of Brooks G. LaBoyteaux. K. R. Bailey, formerly of Royal, will be Mr. Casler's assistant.

W. J. Scanlon, for five years manager of the marine department of the Los Angeles office of Swett & Crawford, has severed his connection with that office.

EASTERN STATES ACTIVITIES

Eyes Quake Peril in Northeast Area

Dr. L. Don Leet, director of Harvard University's seismograph station at Harvard, has been quoted rather extensively lately following two heavy earthquakes that were suffered in New England in December. Dr. Leet believes that these are temblors that herald a period of increasing earthquake activity in the New England area which may include one or more severe shocks. There is a reasonable chance, he believes, that any of the large cities of the northeast, including New York and Boston, might suffer a damaging earthquake in the next 50 years.

The hazard is sufficient to warrant taking precautionary measures, he believes. The dangers could be minimized by applying to buildings, water systems and utilities, the engineering lessons that were learned in the California and Japanese earthquakes.

To establish for each community an emergency plan similar to that which has been in effect in Berkeley, Cal. since 1927, would be valuable not only in the event of earthquakes, but of hurricane, flood or enemy action. The existence of such a plan would minimize the greatest of all hazards which is panic.

Dr. Leet bases his theory of the probability of earthquake in the northeast on the fact that there has been an increased number of severe shocks in the past century. In more recent years the shocks have been closer together, with the period between them being reduced about 10 to five years. Previously the interval between stronger shocks was from 30 to 10 years.

New England Insurance Exchange in Annual Meeting

BOSTON—The annual meeting of the New England Insurance Exchange brought 150 special agents and company men from all parts of New England to Boston. At the dinner John N. Cosgrove, American Reserve, described the work of the firefighters in London during the war.

At the business meeting, Lee Sylves-

ter, state agent Firemen's, was elected vice-president and three members of the executive committee were elected: G. L. Cady, North British & Mercantile, Manchester, N. H.; H. J. Landen, Springfield Fire & Marine, Boston, and A. G. Tyrol, New York Underwriters, Springfield.

Homer W. Jones, Aetna Fire, was elected chairman of the executive committee. President L. G. Fitzherbert, Home, has another year to serve.

Stevenson to Preside at Insurance Society Banquet

John A. Stevenson, president of Penn Mutual Life, will be toastmaster at the annual banquet of the Insurance Society of Philadelphia Feb. 10. The speaker of the evening will be Louis A. Johnson, former assistant secretary of war. John W. Donahue is president of the society and E. E. Lindner, Indemnity of North America, is chairman of the banquet committee. George W. Ruhl and Newton B. Meade are vice-chairmen.

Conference Club Hears Morrison

BOSTON—The Conference Club, composed of young men in Boston insurance offices, will be addressed at a dinner meeting Jan. 21 by R. M. Morrison, Boston insurance attorney.

New Jersey Examiners Elect

NEWARK—The New Jersey Insurance Examiners' Association has elected the following officers: Thomas R. Reed, president; George S. Connolly, vice-president; Patrick J. Bartley, treasurer; Frank D. Ryan, secretary.

Ask Insurance Aid for Guard

BUFFALO—Support of the Buffalo Association of Fire Underwriters in completing enlistments in the New York state guard was asked by F. E. Wheeler, secretary of Tiernon & Co., at a meeting of the association in the Buffalo Athletic Club. Mr. Tiernon is major of the first battalion of the 65th regiment.

Mr. Wheeler said the work of the guard is closely allied with fire and casualty insurance interests because it is to protect industries, fire stations, water



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Chicago, Illinois

and electric supply sources and other vital enterprises in time of emergency. President A. C. Glasser discussed plans for the coming year and urged that the association resume a more active local program following completion of its responsibility in handling the 1940 convention of the National Association of Insurance Agents.

Bodwell Is Manchester Chief

MANCHESTER, N. H.—The Fire & Casualty Association of Manchester has reelected W. A. Bodwell, Lockwood Insurance Agency, president. Vice-presidents are D. A. Lamoreaux, S. N. Marshall and C. L. Kent; secretary-treasurer, A. E. Card, Jr.; directors, J. H. Laflamme, John Nelson, Walter Searles and Robert Messier.

President Robert S. Perkins of the New Hampshire Association of Insurance Agents, Secretary A. C. Hudson of the New Hampshire Board and Vice-president Lester S. Harvey of the New Hampshire Fire spoke.

Rating Association Elects

BOSTON—The New England Fire Insurance Rating Association, at its annual meeting elected the following board of governors: E. S. Inglis, vice-president of Corroon & Reynolds; W. R. Hedge, president Boston and Old Colony; Bradford Smith, Jr., secretary North America; C. A. Nottingham, assistant United States manager Liverpool & London & Globe, and Malcolm Wight, secretary Hartford.

The board of governors elected W. B. Crutenden, president Springfield Fire & Marine, chairman; Guy E. Beardsley, vice-president Aetna Fire, vice-chairman, and Ralph Sweetland manager, secretary and treasurer.

Bennett, Wilson on N. J. Card

NEWARK—The program for the mid-year meeting of the New Jersey Association of Underwriters at the Hotel Asbury Park March 13-14 is rapidly being completed. W. H. Bennett, general counsel National Association of Insurance Agents, and Capt. G. R. Wilson, New Jersey aviation director, will be the two top speakers.

Cowles Names Conn. Committees

New committees of the Connecticut Association of Insurance Agents have been appointed by President E. S. Cowles, Jr., of Hartford. Chairman of the finance committee is H. W. Hatch, New Britain; legislative, E. W. Goodell, Hartford; membership, W. H. Wiley, Hartford; fire and accident prevention, C. H. Dayton, Greenwich. The conference committee consists of Mr. Cowles, David A. North, New Haven; Paul H. Taylor, New Haven; J. W. Beach, Hartford; Mr. Hatch, and Mr. Goodell.

H. L. Bailey, Jr., Groton, is chairman of the special committee on state insurance and on the Connecticut agents.

Devine to Speak in Worcester

R. J. Devine, assistant manager agency systems department Royal-Liverpool group, will address the Worcester (Mass.) Board on Jan. 21.

NEWS BRIEFS

William A. Muller, head of the W. A. Muller & Co. agency of Boston and president of the Dorchester Mutual Fire, has entered the Symmes Arlington hospital for treatment.

L. E. Pendleton, for seven years with the Rhode Island state police investigation bureau, has been appointed special agent of the arson department of the National Board for Maine and New Hampshire, with headquarters in Concord, N. H.

Roy R. Brockett, vice-president of A. A. Bettinger Co., Buffalo, has been reelected chairman of the board of supervisors of Erie county.

C. A. Van Winkle has retired as president of A. W. Van Winkle & Co., Ruthersford, N. J., agency. Stirling Van Win-

kle and Theodore Van Winkle continue the business as president and vice-president and treasurer respectively. D. Van Winkle is now secretary and Robert Van Winkle assistant secretary-treasurer.

Wilson-Forster, Inc., has succeeded Wilson, Forster & McCall agency, Buffalo. C. H. Wilson is president and H. L. Bruette vice-president.

CANADIAN

Would Cover Garage Mechanics

TORONTO—John Edwards, secretary of the committee of underwriters on automobile standard forms, has sent a memorandum to all insurers transacting automobile insurance in Canada, except in Quebec, of a proposed standard endorsement to drivers' policies which would permit insurance to be granted to mechanics and employees of garages, repair shops, etc.

Ontario 1940 Losses Higher

TORONTO—Fire losses in Ontario in 1940 totaled \$8,184,383, against \$7,922,402 in 1939, from 15,731 fires, according to preliminary figures issued by Fire Marshal Scott. The insurance loss was \$6,954,138 as compared with \$6,559,973. Most of the increase was in the final quarter of the year.

Reflecting heavier industrial activity, industrial fire losses totaled \$1,201,063, an increase of \$341,573, and insurance loss \$1,107,344, increase \$336,483.

Term Limitation Abolished

TORONTO—The one year term limitation on fire policies covering mercantile and manufacturing risks will be abolished in Ontario March 1 when section 104 of the Ontario insurance act goes into effect, the attorney-general's department has announced.

Takes Over Plate Glass

VANCOUVER, B. C.—The British Columbia Underwriters Association has assumed jurisdiction over plate glass insurance in British Columbia from the Canadian Underwriters association.

Cecil Bethune of Ottawa, a past president and one of the founders of the Ontario Fire & Casualty Insurance Agents' Association, died in his office there.

MOTOR

Collision Losses May Reach New Peak in January

Complaints are being heard unanimously from automobile departments these days about the extent of the collision losses. Complaints were heard throughout December but during January they have become particularly loud. January is usually the worst month of the year for collision losses and some are predicting that this January will set a new high record. Some observers believe the story is that during 1940 automobile production was up, sales were up, insurance was up and so are losses. However, the loss ratio is also higher apparently with most companies. The feeling exists in some quarters that the collision rates during the past two or three years have not been raised as they should have been and that this is the root of the problem.

Revealing Chapter in English Correspondence

(CONTINUED FROM PAGE 3)

been broken, but finally they had a nasty blow, through which brought down ceilings and put doors out of gear. They wrote to my sister, they were so thank-

ful they had not accepted their dear brother's invitation to go to him in the country, but were at home at the time, to look after things!

I am afraid it is easy for me to write philosophically. We have not had a great deal of damage done in our village, although we get a fair amount of activity as a well known target is not a great distance away. Eight panes of glass were broken in our greenhouse the other night and since then I have trembled nightly for my plants when I have heard the throb of the engines above the wireless. I am afraid the general manager has been rather in the thick of it, but he keeps wonderfully cheerful.

With best wishes for Christmas and the New Year to you and all at the branch.

Becoming Skittish on U. & O. Line

(CONTINUED FROM PAGE 1)

ance. Now, however, with so many firms engaged in turning out war materials, we find that there is a very active market for sabotage insurance and naturally, it strikes us that those firms willing to buy sabotage insurance are those that believe they are particularly exposed to damage from sabotage. Here again we find that the brokers for any large account want a concession in rate. We are not accepting sabotage insurance except in cases where we have the fire and extended cover insurance and then only in the same proportion as we share in the property damage insurance. Likewise, we are insisting upon receiving full rates for the coverage and under approved forms.

"We have been shading our lines on both U. & O. and sabotage covers and while we probably have some excess lines on our books at this time, still these are being taken care of as they pop up, and we are hopeful that we shall have our house in order if and when we should be so unfortunate as to sustain a loss, a severe one."

Camden Holds First of Centennial Celebrations

(CONTINUED FROM PAGE 1)

its founders to raise the necessary \$50,000 capital were unavailing. However, as soon as surplus reached \$100,000, in 1870, the company changed to the stock basis by a procedure which has probably never been followed before or since.

Stock for Deposit Premiums

This was accomplished by giving each policyholder insured on the perpetual basis (which meant nearly all) a \$5 share of stock for each \$5 of perpetual deposit premium. The next 30 years saw the company build its capital and surplus to \$100,000 each. Even then Camden did only a local business, its annual premium volume running only some \$32,000. It was on a very sound financial basis, however, and had never failed to pay a dividend, a record which has remained unbroken.

Camden's period of rapid expansion, dating from the turn of the century, is closely connected with the career of the late J. Lynn Truscott, for many years its vice-president in charge of production and later president and board chairman. Mr. Truscott was ambitious and progressive. He was not a promoter but an experienced insurance man and the company's expansion was not at the expense of sound underwriting or financial methods.

Camden firmly pursued its policy of having no subsidiaries or affiliates, not even a casualty running mate. It is now the largest company of this type. Its net premiums for 1939, the latest year for which complete figures are available, were \$6,241,000. Camden has never been reorganized and through its stockholders and its official family there is a close

link with the purpose of the original organizers. For example, W. T. Read, president, is a grandson of the company's second treasurer, J. S. Read, who was one of the founders. J. S. Burrough, manager agency department, is a grand-nephew of the first policyholder, J. C. Burrough. Mr. Burrough has been with Camden 33 years, and is the oldest member of the staff in point of service.

Founders of Camden were leading citizens and included ferrymen, sausage weavers, storekeepers, innkeepers, a gunsmith and a shoemaker. Only one of them, J. K. Cowperthwaite, owner of a general store, had any insurance experience. Incidentally although there was nothing strange about the term "sausage weaver" 100 years ago, Production Manager Smithman ran into difficulty when he used the designation in his local newspaper advertising copy. Quite naturally, the foreman of the composing room wondered if the copy should not have read "sausage makers and weavers" and routed Mr. Smithman out of bed at 11:30 to check up.

Run by Seasoned Executives

In contrast to the inexperience of the founders, Camden's present officers are all seasoned insurance executives. President W. T. Read is a former New Jersey state treasurer and in addition to his insurance and financial experience is a lawyer. J. F. Gilliams started his insurance career as an office boy with Girard Fire and joined Camden as a field man more than 30 years ago in northern New Jersey. He is now managing underwriter.

Barry Truscott, a son of J. Lynn Truscott, worked at the home office on the maps while still in school. During the world war he was a member of the Royal Flying Corps, having strong British sympathies, since his father was born in England. He became a field man in Ohio for Camden, later going to the home office as assistant secretary.

When Mr. Gilliams left the northern New Jersey field to go to the home office he was succeeded by H. O. Huth. Later Mr. Huth went to the home office and subsequently became vice-president.

Others in the official family include E. S. Thompson, secretary-treasurer, and C. W. Makin, W. J. Wood II, W. L. Sparks and Ralph Hover, assistant secretaries. All were on hand to welcome the visitors with the exception of Mr. Thompson who was recuperating at home from an illness.

Among the guests was Lyman M. Drake of Critchell, Miller, Whitney & Barbour, who represent Camden in Chicago. This agency was the first appointment made by Vice-President J. Lynn Truscott outside the Camden area and the state of New Jersey when the company started on its expansion program in 1900. Mr. Drake is a stockholder in Camden.

Farewell for Walter Wolf

Walter H. Wolf, newly appointed assistant western manager of American of Rockford, Ill., was tendered a farewell dinner by the Michigan field men in Detroit Tuesday evening. It was attended by Fred W. Doremus, western manager of American. Mr. Wolf has been manager of the joint Detroit office of American and Security of New Haven.

About 150 attended the Wolf dinner. Eugene G. O'Brien, state agent of Pearl, served as toastmaster. Mr. Wolf's father was present. Among the special guests were A. F. Powrie, western manager of Fire Association and R. E. Vernon, Western Actuarial Bureau, Chicago. Mr. Wolf was presented with an airplane traveling bag.

C. H. Alden, associated with the Ohio Inspection Bureau and its predecessors 39 years, was buried in Cincinnati on his 64th birthday. Mr. Alden was in the Cincinnati office during the entire period. He worked on the larger special hazards.

Contemplate No Change in HOLC, SCA Deal Feb. 1

(CONTINUED FROM PAGE 1)

countrywide has been favorable. It is said to be approximately 30 percent and less than the loss ratio for all dwellings. In view of the fact that such a large number of dwellings are under common control it would seem that some form of rating plan could be submitted to this and other state departments which would justify a reduction. The department believes that a rating plan based upon factors outlined in the insurance law, including experience, offers the best possibility of a solution to this problem. It is probable that such a rating plan can be filed without amendment to the law but if any change in the law is necessary we shall be glad to cooperate in bringing it about. We shall, of course, carefully consider any other suggestion proposed. While the situation has proven difficult and there are many complicated features, it should be possible to find a fair and equitable solution which will not be contrary either to good practices or to the laws of the various states."

Attorney-General's Opinion

Mr. Pink said he felt from the beginning that the allowance of 25 percent was in the nature of a rebate but at the same time he desired to cooperate with the government and the HOLC if the contract could possibly be sustained. The only possibility seemed to be that one of the parties to the contract was an agency of the federal government. The difficulty even there was that the properties affected were not those of the federal government or its agency but properties of individual owners on which mortgages were held by the HOLC.

The attorney-general in his opinion of Nov. 18, 1940, stated:

"The Home Owners Loan Corporation is not an insurance agent, nor would such an agreement be available to an individual owner insuring his premises. Section 188 of the insurance law is specifically aimed to prevent direct or indirect rebates or sharing of commissions with insureds. We do not see that the federal status of the Home Owners Loan Corporation in any way affects the issue here raised. In fact the agreement expressly outlaws provisions which run counter to state statutes (Par. 109-(a)).

"This matter has been given careful consideration and I am not unmindful of the reversal of view by the office of the attorney-general of New Jersey on the question. It is my opinion that the proposed allowance or payment to the insured of the 25 percent of the premium would violate the insurance law of the state. The exemption, if any be made, should be a matter for the legislature to authorize."

Expert Account to Shrink

A number of states have ruled against the provision whereunder HOLC receives 25 percent of the premium in payment of inspection and other services. However, it is understood that in all states except Wisconsin, the Stock Company Association policy can be issued. In that state, policies of individual companies must be used.

The expectation is that as time goes on the HOLC account will become less important. Properties that are foreclosed by HOLC are not insured at all and the HOLC is actively seeking to dispose of those properties to private owners.

ADVICE TO AGENTS ON HOLC

HUTCHINSON, KAN.—The Hutchinson Association of Insurance Agents discussed procedure in writing HOLC policies and the new automobile policies at the January meeting. Joe McGuire, program chairman for January, led the discussion. Wade Patton, secretary of the Kansas association, went into detail

on the HOLC situation from a bulletin received from the Stock Company Association. Points mentioned were:

Policies and daily reports are to be returned to the SCA, as otherwise all record of the policy will be lost, was one point. Stickers must be placed on the face of the policy. The titleholder must be shown as the assured with mortgage clause attached in favor of the HOLC.

Rate given in the order for insurance must be used and not changed. The form of insurance ordered must be used as stated, i.e., fire, fire and supplemental contract or fire and tornado. The property is to be inspected by the agent and any changes noted reported to the SCA such as change in roof, exposure, incorrect rate on order, etc.

Archie L. Blickenstaff, chairman of the fire prevention committee, reported that the school fire prevention poster contest is being concluded.

President N. N. Kline presided.

GEORGIA BARS AGREEMENT

NEW YORK—Influenced presumably by the position of the New York department Georgia has now barred operation of the HOLC agreement. It is feared other states may take similar action. The executive committee of the Stock Company Association was in session here this week and heard the recommendations of their counsel as well as those of the HOLC from Washington.

The decision was to amend the agreement in such manner as to overcome the objections lodged against it by New York and other departments.

BLACKALL STATES POSITION

NEW YORK—Following news of the position taken by the New York department on the HOLC issue, J. C. Blackall, of Connecticut, president National Association of Insurance Commissioners, said: "As chairman of the subcommittee of the fire committee of the insurance commissioners, I have, since our New York convention, communicated with all the independent federal agencies on their method of handling insurance contracts and I am incorporating the result of their replies in a letter to members of our subcommittee, which will go out shortly. Naturally any further action will await their reaction to the survey."

Getting Edge on Defense Premiums

(CONTINUED FROM PAGE 10)

pensation premium may run from \$250,000 to \$300,000 on the building of a single cantonment.

It will be noted that the mutuals' representations do not guarantee payment of a dividend but merely recite the company's dividend history. In the case of companies which are prohibited by state laws from writing non-assessable policies the assessment contingency is taken care of either by additional coverage guaranteed against payment of an assessment or the contractor may assume all liability for assessment.

What exasperates many stock cas-

ualty men is that not only the fact that the mutuals are getting the compensation business while the stock carriers handle the vastly less desirable construction bonds but the probability that the mutuals will soon start advertising that their coverage is "preferred by the government of the United States in time of emergency."

The situation has caused some executives to wonder about the wisdom of any form of state regulation. They say that state regulation plays into the hands of the mutual companies and that the latter get the stock agents to obtain regulatory laws for them. Furthermore, regulated rates mean that the mutuals know exactly what competition they are meeting and in going after a case can see all their competitors' cards.

Policies to Be Released Monday

(CONTINUED FROM PAGE 10)

Mutual Alliance and Mutual Casualty Insurance Rating Bureau.

ILLINOIS APPROVES TWO FORMS

The Illinois insurance department has approved the comprehensive automobile liability and the comprehensive general liability policies, for use beginning Jan. 20. The policies were approved some time ago, subject to rules being filed. Now the rules have been filed and approved, so there is a clear track for use of the new forms beginning Monday.

The combined comprehensive form, which covered automobile and other liability under a single insuring clause, was not approved. This is consistent with the attitude of the Illinois department toward previous filings by non-bureau companies and was expected by most Illinois insurance men.

OPTIONAL COVER ISSUE

One of the capital problems that confronted those that were drafting the comprehensive liability policy, soon to be issued, was whether to include in the form products liability and property damage liability. The final decision was to do so and to provide for eliminating these coverages if desired by way of endorsement. The alternative was to omit all reference to these two frequently troublesome lines and provide for such coverage to be endorsed into the contract if desired.

Some of those who advocated the latter course felt that it would enable the agents and companies to deal more diplomatically with risks in which either the products or property damage liability or both were too hot to handle. If there were no reference to these coverages in the contract, the theory was, there would be no necessity to bring up the issue, but when they are in the contract, and they must be endorsed out, then the issue has to be faced and some feeling may be engendered.

Continental Casualty Has \$2,373,773 Premium Gain

Continental Casualty in 1940 wrote net premiums of \$25,372,293.62, an increase of \$2,373,773. By departments the increase was: Accident and health, \$1,098,134 miscellaneous casualty, \$1,161,615; surety, \$114,023.07.

Would Coerce American Surety

ATLANTA—American Surety and the comptroller general of Georgia were under temporary restraint from issuing a new license to American Surety, and must show cause Monday before Superior Judge Humphries why the restraint should not be made permanent. The order was issued on the petition of Ben Sutherland of Carrollton, administrator of the estate of the late Vaughn Sutherland. The action alleges American Surety carried a liability policy on Sutherland, who was killed in a highway accident in 1938 along with two others. Judgments were obtained against the Sutherland estate, totaling \$10,000, which the petition alleges, American Surety refused to defend and also refused to pay the claims.

Louis Ollmert, automobile superintendent, and C. G. Wurth, compensation and liability superintendent in the Chicago office of Aetna Casualty, will attend the home office underwriting conference at Hartford, Feb. 10-14.



WOOD SPRITES IN PAINTS

Industrial America delves into the world's far flung forests for woods that come into everyday use completely transformed in character.

When using red inks we literally dip our pens into the forests of South America where the Brazilwood tree supplies us with basic coloring ingredient for dyes. Our paint industry, needing gum and resin, searches the jungles of India and the Malay Peninsula for the resinous Eaglewood tree which, natives state, is most difficult to find because a certain Hantu or wood-sprite can cause the trees to vanish. Then, further bedeviling our paint industry, even after the tree is felled, Hantu can bring death to the unwary who pass between the end of the tree and the stump.

Problems, real and imaginary, confront American firms in their search for raw materials. An important problem, largely simplified by the worldwide AIU organization, is that of placement of insurance to protect properties in far corners of the world. Sound coverage in American companies is more vital, at this time, than ever.

AMERICAN
INTERNATIONAL
UNDERWRITERS
CORPORATION



111 John St., New York 340 Pine St., San Francisco

FACTUAL APPRAISALS

Impartial Valuations
of Industrial and
Commercial Property... A
quarter century of factual
appraisal service to Amer-
ica's more conservative
business institutions.

The Lloyd-Thomas Co.

APPRAISAL ENGINEERS
EXECUTIVE OFFICES

NEW YORK CHICAGO
350 FIFTH AVE. 4411 RAVENSWOOD AVE.
DISTRICT OFFICES IN OTHER PRINCIPAL CITIES

★ ★ FIRE ★ ★

AMERICAN RESERVE
INSURANCE COMPANY

NEW YORK

REINSURANCE

Many Pointers Are Given at Inter-Ocean Rally

(CONTINUED FROM PAGE 31)

he does not get a bit better returns by mentioning the prospect's name in the letter.

Mr. Sarles stated that he sends out about 100 letters a month and receives a 2 percent return. He sells about 4 out of 5 of the returns. Direct mail is valuable for selective prospecting because every person is not a prospect. Mr. Scherr suggested that it is important not to mail too many letters because they could not be followed up effectively.

Some interesting comments on hospitalization policies were made by Mr. Sarles, who made a talk on "Full Coverage vs. Limited Forms." Mr. Sarles said that he had been influential in getting the company to write hospitalization, but he had completely changed his mind and was not in favor of the limited hospital policy. Inter-Ocean is one of the pioneers in this field.

Mr. Sarles said that it had gotten so in North Carolina that if a person were really sick, he couldn't get into a hospital because they were already filled. Hospital associations solicited prospects when they started out even if the person already had a disability. Mr. Sarles asserted, "Hospital care didn't care," he said.

Women and Hospitals

If a woman assured goes to the hospital one time, statistics show that 4 out of 5 times she will be back, he declared. He said that hospital insurance should not be sold to those who are obliged to go to a hospital when they are ill because they are rooming or for some reason do not have facilities at their place of residence in case of illness. The average person who requires hospital care does not go for 1, 2, or 3 days, Mr. Sarles said, and if the records showed that an assured was doing this, he would not renew the policy upon expiration. He declined to renew 1,833 policies last year. Mr. Sarles said that he has gotten to the point where he practically won't take a hospital policy. He does, however, like the reimbursement policy.

The importance of work sheets from agents showing how they were spending their time as a factor in time control was emphasized by C. F. Harrol, Dayton. The sheet used by Mr. Harrol calls for the date, new contacts, number of interviews, number of sales, service calls, collections, prospects, appointments, and comments. Mr. Harrol said people have economic problems that are being answered by accident and health insurance. Insurance, he said, is the creation of a reserve fund against an unforeseen contingency.

Other speakers were G. W. Tolin, manager claim department; A. F. Taylor, Toledo; L. L. Williams, Detroit; J. B. Lipscomb, Jackson, Miss.; and H. K. Reid, Birmingham. The convention was so successful that it will probably be repeated.

Watch Elevator Code in N. Y.

BUFFALO—Members of the Casualty & Surety Club of Buffalo were urged to keep an eye on the proposed elevator code for New York state at their January meeting. The speaker was Alon Carter, safety engineer of Royal, who discussed "More Cooperation on the Part of the State Relating to the Enforcement of Regulations for Elevators." Mr. Carter said insurance must see that the proposed code is set up in accordance with the model code recommended by casualty associations.

Plans for another school for prospective agents were discussed. The club will hold its annual dinner party and entertainment Feb. 10. President J. Ellsworth Buck presided.

Use Accident & Health Week promotional material to increase sales. Write your company for details.

Maryland Casualty Expands Advertising in '41

BALTIMORE—Full page advertisements every month of 1941 in four magazines of national circulation will carry the story of Maryland Casualty insurance and services to the largest group of readers since the inauguration of its expanded advertising program in 1934.

"Newsweek," has been added to the schedule of publications, which also includes "Time," "Fortune," and "Business Week."

First of the advertisements was illustrated by a dramatic photograph of a small boy gazing at the Liberty Bell, with the caption: "Not to be Melted." The copy, having Americanism as its theme, also pointed out the part insurance plays in aiding national defense preparations.

The three weekly magazines each will carry 13 page advertisements through the year to a combined circulation of nearly 1,250,000, plus 12 appearances in "Fortune."

The same also appear in several insurance trade magazines for insurance men.

The advertising campaign is designed to break down sales resistance and make easier the agents' task; emphasize profitable lines which the company writes, in addition to educating the public to all casualty and surety lines; to inspire confidence in Maryland and make it favorably known throughout the United States.

For agents who wish to tie in local advertising with the Maryland's national advertising, the company provides a matrix reproduction of the national advertisement in two-column size for insertion in local newspapers.

Insurance Rulings Prompted by Defense Situation in N. H.

Commissioner Rouillard of New Hampshire, has ruled that payments made by concerns to employees in military service are pure gratuities and are not subject to inclusion in the payroll for premium computation purposes under garage payroll policies. He has also ruled that pro rata return premiums be allowed for automobile policies that are canceled during the policy term because the assured entered military or naval service.

The insurance department proposes to make available automobile P. L. and P. D. coverage that will apply only within the boundaries of the government reservation described in the policy. This will be for civilians that are engaged to perform work at military posts, camps and cantonments. The government requires such persons to provide evidence of satisfactory automobile insurance before they are permitted to operate their cars within any such federal government reservation. For such limited coverage, Mr. Rouillard proposes a charge of 50 percent of the applicable rate.

Medical Payment Ruling Amended

ST. PAUL—Commissioner Yetka has amended his ruling of last August on the medical payment endorsement to permit the exclusion of pedestrians and named insured thus modifying requirements which had kept all member companies of the National Bureau of Casualty & Surety Underwriters from filing medical expense riders in Minnesota.

In his latest ruling Mr. Yetka says that "sufficient data as to the public demand for pedestrian coverage have now been presented by carriers writing medical payments endorsement to satisfy this department that very little demand exists

for such coverage while a considerable demand exists for guest coverage only and for guest plus 'named insured' coverage."

The amended ruling permits, in addition to coverage now authorized, "the issuance of medical payments endorsements covering persons while in or upon, entering or alighting from the automobile classified as 'pleasure and business' and permitting the exclusion of pedestrians and named insureds and that such endorsement shall conform to the form of 'medical payments endorsement' attached hereto."

Suretyship Loses Great Leader in E. C. Lunt

(CONTINUED FROM PAGE 19)

was not entirely happy and in 1926 Mr. Lunt returned to his natural role of a surety specialist, joining Great American Indemnity as vice-president and secretary in charge of the bond department.

Mr. Lunt's book "Surety Bonds" is the most famous and widely read work on suretyship, going through a number of revised editions. His vigorous and iconoclastic style and his genius for hyperbole made the work attractive to the merest novice and many of his favorite expressions have endured for years. For the past several years his annual review of suretyship developments, particularly in bankers blanket bonds, and other timely articles were reprinted by his company or by the Association of Casualty & Surety Executives and eagerly received by the insurance world.

Although not a practicing attorney, Mr. Lunt was a member of the New York Bar. He was a former president of the Insurance Society of New York, and vice-president of the Casualty & Surety Club. He was a member of the executive committee of the Surety Association of America, and chairman of the

special committee of that organization which drafted the recently adopted new general reinsurance agreement incident to the revised insurance code. He was a director of the Towner Rating Bureau and of the Bureau of Contract Information.

Malicious Mischief Cover Added on Power Interruption

NEW YORK—Extension of malicious mischief coverage to apply in connection with power interruption policies is announced by the boiler and machinery division of the National Bureau of Casualty and Surety Underwriters. When that coverage was introduced last December, it applied to all forms of boiler and machinery insurance except power interruption insurance. Demand was at once made to amend power interruption policies to provide this coverage and a ruling was issued, effective Jan. 7 in all states and the provinces of Canada, except in Louisiana, New York, Oregon and Washington, where it is effective Jan. 27.

With the extension of the rules it is now permissible to provide malicious mischief coverage in connection with any power interruption policy regardless of the effective date of such policy.

A separate standard form of malicious mischief endorsement applicable to power interruption policies must be used. Charge for the coverage is 25 percent of the policy premium otherwise determined, subject to a minimum three-year premium of \$100 for each power interruption policy.

Insurance and Restaurants

BUFFALO—C. L. Kendall of the Travelers spoke on casualty insurance as it applies to restaurants at the dinner meeting of the Buffalo & Western New York Restaurant Association.

Increase your business during Accident & Health Week. Write your company for promotional material.



Accommodations
IN THE
MODERN MANNER

The Newhouse Hotel is completing a \$200,000.00 modernizing and redecorating program that makes available the most outstanding and complete accommodations in the West at our SAME POPULAR PRICES... Splendid food at moderate prices will be found in our CAFETERIA and DINING ROOM.

**400 OUTSIDE ROOMS
WITH BATH \$2 — \$4**

**NEWHOUSE
HOTEL**

SALT LAKE CITY

NEXT STOP ST. LOUIS!

AND MY STOP IS HOTEL Mayfair!

TOPS IN FOOD & SERVICE—AND RIGHT DOWNTOWN



ESTABLISHED 1911

Reinsurance

**CASUALTY
FIDELITY SURETY**

**THE
EUROPEAN GENERAL
REINSURANCE COMPANY, LIMITED
OF LONDON, ENGLAND**

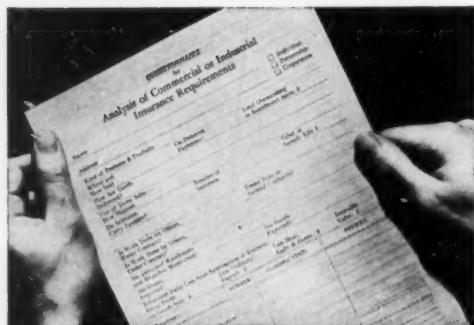
*United States Branch
99 John St., New York*

T. L. HAFF
U. S. Manager

E. BRANDLI
Asst. U. S. Manager

"I took your dead horse to the undertaker

*and sold him a
U & O policy"**



The dead horse is the hero of The National Fire Group's presentation of Prospective Earnings Insurance. The quotation in the headline is taken from a letter one agent wrote us. The horse that points the moral in this book pays cash dividends—just as does

every other selling help that we provide for our agents. This manual gets the U & O picture over in a series of dramatic one-two-three jabs, so that in three minutes the prospect grasps the whole idea. Tools like this get down to bedrock, and sell insurance! And we provide our agents with plenty of them.

Agents like the National's concrete selling aid, be it the practical field service of a National Fire Group Counselor, or a piece of selling literature. More and more agents are "going National" for selling helps—for aid of all kinds. ☆ ☆ ☆ ☆ ☆ ☆

**the undertaker, not the horse*

Even though you're not an agent of ours, we'd like you to sample this extra help we put at our agents' disposal. Send in the coupon below, and get a free copy of WHERE DO WE GO FROM HERE? (the book about the dead horse). No obligation, of course.

Your National Fire Group Counselor is expressly employed to give you all the cooperation and competent help you need. Use him to the utmost if you want to get the utmost in results.



THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD — TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY—FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

Home and Administrative Offices: 95 Pearl Street, Hartford, Connecticut
Western Department: 175 West Jackson Boulevard, Chicago
Pacific Department: 234 Bush Street, San Francisco

The National Fire Group,
95 Pearl St.,
Hartford, Conn.

Gentlemen:
I should like to have you mail me a copy of your manual,
"Where Do We Go From Here?"

NAME.....

ADDRESS.....

NU-2